

Honolulu, Hawaii

**March 20**, 2008

RE: S.B. No. 2780  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Economic Development & Business Concerns, to which was referred S.B. No. 2780, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORKS,"

beg leave to report as follows:

The purpose of this bill is to further clarify requirements for the payment of prevailing wages on public works projects by including, as a public work, construction contracts valued at \$500,000 or more between private persons using state or county land for commercial, profit-making activity.

The Hawaii Carpenters Union testified in support of this bill. The Department of Land and Natural Resources, Department of Accounting and General Services, Department of Labor and Industrial Relations, and a concerned individual testified in opposition to this measure.

Chapter 104, Hawaii Revised Statutes (HRS) establishes that prevailing wages be paid on projects meeting criteria that define it as a public work. However, some confusion remains on whether the payment of prevailing wages are required under construction contracts between private persons using state or county land. This measure attempts to clarify this ambiguity by specifying that prevailing wages be paid on these construction contracts if the



state or county land is used for commercial, profit-making activity.

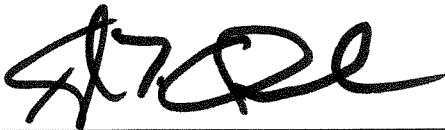
Nevertheless, your Committees understand the issue raised that this may have an adverse impact on certain smaller businesses but that further discussion on this issue is warranted.

Accordingly, your Committees have amended this measure by:

- (1) Changing its effective date to July 1, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2780, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2780, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Labor & Public  
Employment and Economic  
Development & Business  
Concerns,



KYLE T. YAMASHITA, Chair




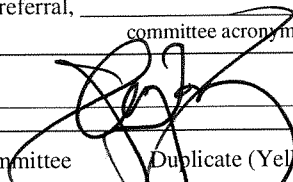
ALEX M. SONSON, Chair



Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 2780 SD 2	Committee Referral: LAB/EDB	Date: 3/18/2008		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)	✓			
2. NAKASONE, Bob (VC)				✓
3. EVANS, Cindy		✓		
4. HAR, Sharon E.				✓
5. LEE, Marilyn B.	✓			
6. LUKE, Sylvia				✓
7. McKELVEY, Angus L.K.				✓
8. NISHIMOTO, Scott Y.	✓			
9. SOUKI, Joseph M.	✓			
10. TAKAMINE, Dwight Y.	✓			
11. TAKUMI, Roy M.	✓			
12. MEYER, Colleen Rose				✓
13. PINE, Kymberly Marcos				✓
TOTAL (13)	6	1		6
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: SB2780 SD2	Committee Referral: LAB/EDB, FIN	Date: 3/18/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.				✓
4. BROWER, Tom	✓			
5. CHANG, Jerry L.				✓
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.				✓
8. MANAHAN, Joey				✓
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.				✓
12. MARUMOTO, Barbara C.			✓	
TOTAL (12)	6	0	1	5
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				