

STAND. COM. REP. NO. 1204-08

Honolulu, Hawaii

March 19, 2008

RE: S.B. No. 3087
S.D. 1
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 Committee on Labor & Public Employment, to which was referred S.B. No. 3087, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTOR SUSPENSION ON PUBLIC WORKS PROJECTS,"

begs leave to report as follows:

The purpose of this bill is to strengthen enforcement of Hawaii's Public Works Law by requiring the Director of the Department of Labor and Industrial Relations (DLIR) to immediately suspend any contractor who interferes with or delays an investigation or falsifies payroll records from working on any public works project for three years.

DLIR, Laborers' Union Local 368, General Contractors Association of Hawaii, Ralph S. Inouye Co., Ltd., Royal Contracting Co., Ltd., Hawaii Building and Trades Council, AFL-CIO, Building Industry Association of Hawaii, Associated Builders and Contractors of Hawaii, Hidano Construction, Inc., Pacific Resources Partnership, and Hawaii AFL-CIO testified in support of this bill. The Hawaii Island Contractors Association testified in opposition to this measure. The Department of the Attorney General provided comments.

SB3087 HD1 HSCR LAB HMS 2008-2950



Currently, employees who work on public works projects are required to be compensated in accordance with the Federal Davis-Bacon Act or Hawaii's Public Works Law (also known as the Little Davis Bacon Act). These pieces of legislation were intended to provide a level playing field to bidders on public projects by requiring all bidders to provide the appropriate wages and benefits.

Under current law, a contractor found to be in violation of Hawaii's Public Works Law is considered to have committed only one violation of the law, although multiple violations may be occurring or recurring simultaneously on multiple public works projects performed by the same contractor. The lengthy process for conducting and completing investigations of possible violations is also problematic, often resulting in contractors not being properly sanctioned or restricted from obtaining contracts for additional public works projects.

Your Committee finds that by requiring the Director of DLIR to suspend a contractor who delays or interferes with investigations conducted under Hawaii's Public Works Law or falsifies payroll records from working on any public work for three years will deter these actions and allow for better enforcement of Hawaii's Public Works Law.

However, your Committee understands the concerns raised by the Attorney General that, as currently written, the language of this bill is ambiguous and needs clarification. Accordingly, your Committee has amended this measure by clarifying that a contractor shall be suspended for a period of three years for a violation based on interference with or delay of an investigation pursuant to Hawaii's public works law.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3087, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3087, S.D. 1, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line extending to the right.

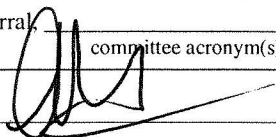
ALEX M. SONSON, Chair



1204-08

State of Hawaii
House of Representatives
The Twenty-fourth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 3087, SD1	Committee Referral: LAB, FIN	Date: 03-11-08		
<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)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)	Y			
2. NAKASONE, Bob (VC)				X
3. EVANS, Cindy	Y			
4. HAR, Sharon E.				X
5. LEE, Marilyn B.	Y			
6. LUKE, Sylvia				Y
7. McKELVEY, Angus L.K.	Y			
8. NISHIMOTO, Scott Y.				Y
9. SOUKI, Joseph M.	X			
10. TAKAMINE, Dwight Y.	Y			
11. TAKUMI, Roy M.	X			
12. MEYER, Colleen Rose				X
13. PINE, Kimberly Marcos				N
TOTAL (13)	7	0	0	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				