

STAND. COM. REP. NO. 1250

Honolulu, Hawaii

March 16, 2007

RE: S.B. No. 957
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 957 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS,"

begs leave to report as follows:

The purpose of this bill is to enhance the enforcement of Hawaii's prevailing wage law by ensuring that a violation of Hawaii's prevailing wage law (Chapter 104, Hawaii Revised Statutes (HRS)) arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

The Hawaii State AFL-CIO, Hawaii Iron Workers Local Union 625, Stabilization Fund, International Union of Elevator Constructors, Local 126, Laborers' Union Local 368, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. DLIR, A-1 A-Lectrician, Inc., Building Industry Association of Hawaii, Hawaiian Dredging and Construction Company, Healy Tibbits Builders, Inc., H L & L, LLC, Kaikor Construction Company, Inc., King and Neel, Inc., Koga Engineering & Construction, Inc., MEI Corporation, Nordic Construction, Ltd., Ralph S. Inouye Company, Ltd., Royal Contracting Company, Ltd., S & M Sakamoto, Inc., T. Iida Contracting, Ltd., Willocks Construction Corporation, General Contractors Association of Hawaii, and Rons Construction Corporation testified in opposition to this measure.

SB957 HD1 HSCR LAB HMS 2007-3057



Under current law, a contractor found to be in violation of Chapter 104, HRS, is considered to have committed only one violation of the law, although multiple violations may be occurring or recurring simultaneously on multiple public work 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 this measure will prevent contractors who continually violate the law on multiple occasions and on multiple public works projects from circumventing the law, gaining an unfair advantage over complying contractors, and preventing workers from being paid fair wages.

However, your Committee understands the concerns raised by the Director of Labor and Industrial Relations that any violation, regardless of severity or the willfulness of the contractor in committing the violation, will be counted as a separate violation under this bill and have the unintended consequence of punishing employers for honest, unintentional errors.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2059, to facilitate further discussion.

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. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 957, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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



ALEX M. SONSON, Chair



