

STAND. COM. REP. NO. 2172

Honolulu, Hawaii

FEB 11 2008

RE: S.B. No. 3087  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which was referred S.B. No. 3087 entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the Department of Labor and Industrial Relations to immediately suspend and begin debarment proceedings against contractors that purposely defraud the State on a public works project or do not cooperate with the Department of Labor and Industrial Relations in determining if there has been a violation of the prevailing wage law.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; BIA-Hawaii; The Pacific Resource Partnership; Hidano Construction Inc.; and Laborers' Union Local 368.

Currently, contractors can be suspended for failure to pay back wages and penalties, or after the third notice of violation if the second is within two years of the first and the third is within two years of the second. There is currently no method to debar contractors who cheat and get caught unless they fail to pay back wages, which rarely happens.

Your Committee believes that state or county government agencies should not do business with those who falsify payrolls or do not cooperate with government investigation.

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Providing for suspension as a penalty will create a clear line for those who are not willing to comply with the law. Chapter 104, Hawaii Revised Statutes, relating to wage and hours of employees on public works, is a law imposed to even the playing field in bidding for public works jobs and pay a prevailing wage to workers. Your Committee finds that it is not unreasonable to impose a three-year suspension for those who are not willing to comply with the law.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

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

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism and  
Government Operations,




CLARENCE K. NISHIHARA, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Tourism and Government Operations**  
**TSG**

Bill / Resolution No.:*  SB 3087	Committee Referral:  TSG, JDL	Date:  2-05-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	✓			
KIM, Donna Mercado (VC)	✓			
TSUTSUI, Shan S.	✓			
TRIMBLE, Gordon				✓
<b>TOTAL</b>	<b>3</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes