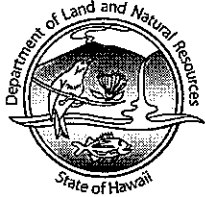


SB 2780

LINDA LINGLE
GOVERNOR OF HAWAII



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KAIHOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

On Senate Bill 2780 – RELATING TO PUBLIC WORKS

**BEFORE THE SENATE COMMITTEES ON
JUDICIARY AND LABOR
and
TOURISM AND GOVERNMENT OPERATIONS**

February 12, 2008

Senate Bill 2780 proposes to broaden the definition of “public work” to include a construction contract between private persons using state or county land for commercial, profit making activity, and subjecting the construction contract to the wage and hour requirements of Chapter 104, Hawaii Revised Statutes (HRS), as amended. The Department of Land and Natural Resources (Department) strongly opposes this bill.

The intent of Chapter 104, HRS, is to ensure employees of public work projects are paid no less than prevailing public employee wages and receive the same work schedule privileges as public employees. “Public work” projects are intended to be those projects constructed for use by the State or county or are paid for with State or county revenues. This bill, however, would subject lessees of public lands to these public employee wage and hour requirements notwithstanding the fact that the lessee is a private entity operating a private business. These lessees’ operations are not funded by government revenues nor are the leases entered for the purpose of the lessees constructing improvements to be used or occupied by government agencies.

The Department currently manages approximately 1,013 leases of public lands, the majority of which have been issued to private entities for a variety of purposes, including agriculture, pasture, commercial, industrial, and resort uses. Unlike construction contracts for true “public work” projects, the Department acts as a passive landlord in the leases it manages and does not dictate, oversee or participate in the lessees’ operations or management, let alone get involved in personnel issues and decisions. As such, it would be inappropriate as well as impossible for the Department to monitor and enforce any proposed wage and hour provisions.