

STAND. COM. REP. NO. 362

Honolulu, Hawaii

Feb 18, 2009

RE: H.B. No. 1479
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1479 entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose of this bill is to obtain better information and ensure payment of fringe benefits on public works projects by requiring:

- (1) The Department of Labor and Industrial Relations (DLIR) to determine the prevailing cost of fringe benefits through a biannual survey of all general contractors and subcontractors who have been party to a public works contract within six months prior to the survey;
- (2) DLIR to develop a standardized form for the biannual survey that will specify costs paid for certain fringe benefits;
- (3) That a certified copy of a fringe benefit reporting form supplied by DLIR be submitted weekly to a governmental contracting agency for review; and
- (4) That an itemized list of fringe benefit costs paid for each employee by the general contractor or subcontractor be included on payroll records.



The Hawaii Operating Engineers Industry Stabilization Fund testified in support of this bill. DLIR testified in opposition to this measure.

Currently, proving that fringe benefit wages were not paid is difficult for an employee as there is no itemized listing of payments of fringe wages on payroll records. By requiring the itemization of these payments, compliance with rules regarding the payment of fringe benefits will be ensured.

Your Committee has amended this measure by:

- (1) Deleting language requiring DLIR to determine the prevailing cost of fringe benefits through a biannual survey of all general contractors and subcontractors who have been party to a public works contract within six months prior to the survey;
- (2) Deleting language requiring DLIR to develop a standardized form for the biannual survey that will specify costs paid for certain fringe benefits; and
- (3) Making technical, nonsubstantive amendments 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 H.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1479, 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,



KARL RHOADS, Chair



