
A BILL FOR AN ACT

RELATING TO LABOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 104-2, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Every laborer and mechanic performing work on the job
4 site for the construction of any public work project shall be
5 paid no less than prevailing wages; provided that:

6 (1) The prevailing wages shall be established by the
7 director as the sum of the basic hourly rate and the
8 cost to an employer of providing a laborer or mechanic
9 with fringe benefits. In making prevailing wage
10 determinations, the following shall apply:

11 (A) The director shall make separate findings of:

12 (i) The basic hourly rate; and

13 (ii) The rate of contribution or cost of fringe
14 benefits paid by the employer when the
15 payment of the fringe benefits by the
16 employer constitutes a prevailing practice.

17 The cost of fringe benefits shall be

1 reflected in the wage rate scheduled as an
2 hourly rate; and
3 (B) The rates of wages [~~which~~] that the director
4 shall regard as prevailing in each corresponding
5 classification of laborers and mechanics shall be
6 the rate of wages paid to the greatest number of
7 those employed in the State, the modal rate, in
8 the corresponding classes of laborers or
9 mechanics on projects that are similar to the
10 contract work;
11 (2) The prevailing wages shall be not less than the wages
12 payable under federal law to corresponding classes of
13 laborers and mechanics employed on public works
14 projects in the State that are prosecuted under
15 contract or agreement with the government of the
16 United States; and
17 (3) Notwithstanding the provisions of the original
18 contract, the prevailing wages shall be periodically
19 adjusted during the performance of the contract in an
20 amount equal to the change in the prevailing wage as
21 periodically determined by the director."

1 SECTION 2. Section 104-3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§104-3 Payrolls and payroll records.** (a) Every [~~such~~]
4 contract subject to this chapter and the specifications for
5 [~~such contract~~] those contracts shall contain a provision that a
6 certified copy of all payrolls and a certified copy of a fringe
7 benefit reporting form supplied by the department shall be
8 submitted weekly to the governmental contracting agency for
9 review. The fringe benefit reporting form shall itemize the
10 cost of fringe benefits paid by the general contractor or
11 subcontractor for:

- 12 (1) Health and welfare benefits;
13 (2) Pension and annuity benefits;
14 (3) Vacation benefits;
15 (4) Continuing education and training benefits; and
16 (5) Other fringe benefit costs paid by the general
17 contractor or subcontractor.

18 The general contractor shall be responsible for the submission
19 of certified copies of the payrolls of all subcontractors. The
20 certification shall affirm that the payrolls are correct and
21 complete, that the wage rates contained therein are not less
22 than the applicable rates contained in the wage determination

1 decision of the director of labor and industrial relations
2 attached to the contract, and that the classifications set forth
3 for each laborer or mechanic conform with the work the laborer
4 or mechanic performed. Any certification discrepancy found by
5 the contracting agency shall be reported to the general
6 contractor and the director to effect compliance.

7 (b) Payroll records for all laborers and mechanics working
8 at the site of the work shall be maintained by the general
9 contractor and the general contractor's subcontractors, if any,
10 during the course of the work and preserved for a period of
11 three years thereafter. The records shall contain the name of
12 each employee, the employee's correct classification, rate of
13 pay, the itemized fringe benefit reporting form pursuant to
14 subsection (a), daily and weekly number of hours worked,
15 deductions made, and actual wages paid.

16 (c) The contractor shall make payroll records available
17 for examination within ten days from the date of a written
18 request by a governmental contracting agency, director, or any
19 authorized representatives thereof. Any contractor who:

20 (1) Fails to make payroll records accessible within ten
21 days;

1 (2) Fails to provide information requested for the proper
2 enforcement of this chapter within ten days; or

3 (3) Fails to keep or falsifies any record required under
4 this chapter,

5 shall be assessed a penalty as provided in section 104-22(b)."

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on July 1, 2050.

Report Title:

Little Davis Bacon Act; Fringe Benefits; Department of Labor and Industrial Relations

Description:

Requires the department of labor and industrial relations to include in certified payroll records a fringe benefit reporting form which itemizes the cost of fringe benefits paid to both union and non-union laborers who perform work for the construction, alteration, or repair of public buildings and public works. (SD1)