
A BILL FOR AN ACT

RELATING TO WAGES AND HOURS ON PUBLIC WORKS.

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

1 SECTION 1. Section 104-24, Hawaii Revised Statutes, is
2 amended by amending subsections (c) and (d) to read as follows:

3 "(c) Where the department finds that a third violation of
4 this chapter has been committed, whether on the same contract or
5 another, within two years of the second notification of
6 violation, the department, after proper notice and opportunity
7 for hearing, shall order the person or firm in violation:

8 (1) To pay a penalty equal to two times the amount of back
9 wages found due or \$200 for each offense, whichever is
10 greater; and

11 (2) To be suspended from doing any new work on any public
12 work of a governmental contracting agency for a period
13 of [~~three~~] five years except as provided in section
14 104-25(a)(2). "New work on any public work" includes
15 any public works project in which the suspended person
16 or firm has not begun work at the job site as of the
17 date of the suspension order. The suspension shall be
18 effective on the later of the twenty-first day after



1 the sending of the notification or violation, or
2 issuance of a decision pursuant to section 104-23(c).

3 (d) A first, second, or third violation refers to each
4 [~~project~~] investigation involving one or more projects in which
5 the department finds that a contractor has failed to comply with
6 this chapter."

7 SECTION 2. Section 104-25, Hawaii Revised Statutes, is
8 amended by amending subsections (a) and (b) to read as follows:

9 "(a) The director shall suspend a person or firm as
10 follows:

11 (1) For a first or second violation, if a person or firm
12 fails to pay wages found due, any penalty assessed, or
13 both, the person or firm shall be immediately
14 suspended from doing any work on any public work of a
15 governmental contracting agency until all wages and
16 penalties are paid in full;

17 (2) For a third violation, the suspension shall be as
18 prescribed in section 104-24(c); provided that, if the
19 person or firm continues to violate this chapter or
20 fails to pay wages found due or any penalty assessed,
21 or both, then the contractor shall immediately be
22 suspended from doing any work on any public work of a



1 governmental contracting agency for a mandatory
2 [~~three-year~~] five-year period. If after the [~~three-~~
3 ~~year~~] five-year suspension period the wages found due
4 or penalties assessed are still unpaid, the suspension
5 shall remain in force until payment is made in full;
6 or

7 (3) For falsification of records, or for delay or
8 interference with an investigation pursuant to section
9 104-22, the contractor shall be immediately suspended
10 for a period of [~~three~~] five years.

11 (b) The director shall immediately notify the governmental
12 contracting agency, comptroller [and], the auditor or director
13 of finance of the county, and, in the case of a suspended
14 subcontractor, the general contractor of any suspension order."

15 SECTION 3. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 5. This Act shall take effect on July 1, 2050;
21 provided that on June 30, 2018, this Act shall be repealed and
22 sections 104-24 and 104-25, Hawaii Revised Statutes, shall be



1 reenacted in the form in which they read on the day prior to the
2 effective date of this Act.



Report Title:

Public Works; Prevailing Wage; Penalties; Suspension

Description:

Increases the suspension period from three to five years for a third violation of a person or firm who violates state law on wages and hours of employees on public works. Clarifies the effective date of suspension. Clarifies that a first, second, or third violation refers to each investigation involving one or more projects, rather than each project, in which a contractor has failed to comply. Specifies that suspension for falsification of records or delay or interference with an investigation is immediate. Specifies who the director of labor and industrial relations must notify of any suspension order. Repeals 06/30/2018. Effective 07/01/2050. (SD2)

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