

Honolulu, Hawaii

March 24, 2016

RE: S.B. No. 2723
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2723, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENFORCEMENT OF WAGE LAWS,"

begs leave to report as follows:

The purpose of this measure is to increase the fines for contractors and subcontractors who violate the wage and hour requirements for public works projects. Specifically, this measure changes the monetary fines as follows:

- (1) For a first violation, from \$25 to \$1,000 per offense;
- (2) For a second violation within two years of the first notice of violation, from 100 percent of back wages or \$100 to 50 percent of back wages found due, plus \$5,000 for each offense; and
- (3) For a third violation within three years of the second notice of violation, from two times back wages or \$200 to full back wages found due, plus \$10,000 for each offense.

The Department of Labor and Industrial Relations and Hawaii Construction Alliance testified in support of this measure. LYZ, Inc.; HSI Mechanical, Inc.; the General Contractors Association of Hawaii; Building Industry Association of Hawaii; Robert M. Kaya Builders, Inc.; S&M Sakamoto, Inc.; and Lindemann Construction

SB2723 HD1 HSCR JUD HMS 2016-2927



Inc. testified in opposition. The Chamber of Commerce Hawaii and Subcontractors Association of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2723, S.D. 1, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



