

Honolulu, Hawaii

MAR 03 2016

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2723, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to increase the minimum fines for contractors and subcontractors who violate the wage and hour requirements of employees on public works projects.

Specifically, this measure increases the minimum monetary penalties as follows:

- (1) For a first violation, from \$25 to \$1,000; and
- (2) For a second violation within two years of the first notice of violation, from \$100 to \$10,000.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Hawaii Construction Alliance, and Pacific Industrial Coatings. Your Committee received written comments in opposition to this measure from the General Contractors Association of Hawaii; Raynor Overhead Doors and Gates Inc; Building Industry Association of Hawaii; Nordic PCL Construction, Inc; Healy Tibbitts Builders, Inc; LYZ, Inc; Royal Contracting Company; and S&M Sakamoto, Inc.



Your Committee finds that currently, a contractor or subcontractor could be fined as little as \$25 for the first offense and \$100 for a second offense for violations of Chapter 104, Hawaii Revised Statutes, the wages and hours law for public works construction. Your Committee further finds that these low amounts are not sufficient deterrents for compliance with Chapter 104, Hawaii Revised Statutes. Your Committee believes that the increased fines will help deter violations of the State's public works wage and hour laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2723, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

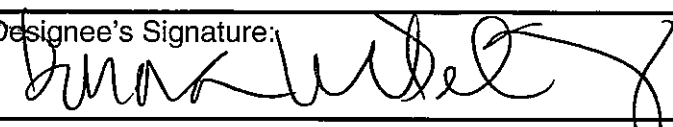


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2723, SD1	Committee Referral: SDL, WAM	Date: 8/24/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
SLOM, Sam			/	
TOTAL	9		1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes