

Honolulu, Hawaii

March 23, 2016

RE: S.B. No. 2724
S.D. 2
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 Labor & Public Employment, to which was referred S.B. No. 2724, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PREVAILING WAGES,"

begs leave to report as follows:

The purpose of this measure is to ensure that workers are paid fair and appropriate wages and benefits by expanding the application of wage and hour requirements for employees on public works projects. Specifically, this measure, among other things:

- (1) Includes construction projects on public lands, regardless of whether the work is paid from public funds, and projects for which public lands are used as security for financing in public works projects subject to the wage and hour requirements of chapter 104, Hawaii Revised Statutes;
- (2) Exempts certain housing-related projects undertaken by a private lessee or for farm dwellings;
- (3) Includes projects undertaken by private lessees in existing requirements for projects not directly caused by a government agency;
- (4) Allows the Director of Labor and Industrial Relations to terminate a contract for violation of prevailing wage and hour requirements; and



- (5) Appropriates funds for the enforcement of chapter 104, Hawaii Revised Statutes, including enforcement of the additional requirements contained in this measure.

The Hawaii Regional Council of Carpenters, Pacific Resource Partnership, Hawaii State AFL-CIO, Hawaii Construction Alliance, Hawaii Tapers Market Recovery Trust Fund, Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund, Painters Labor Management Cooperation Trust Fund, Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund, International Union of Painters and Allied Trades, District Council 50, and a concerned individual testified in support of this measure. The Department of Transportation, Department of Land and Natural Resources, General Contractors Association of Hawaii, Building Industry Association of Hawaii, King & Neel, Inc., and Sand Island Business Association testified in opposition to this measure. The Department of Labor and Industrial Relations commented on this measure.

Your Committee has amended this measure by:

- (1) Limiting the exemption for projects involving the development, construction, renovation, or maintenance of family dwellings to single family dwellings;
- (2) Changing its effective dates to July 1, 2091; 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 S.B. No. 2724, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2724, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



