

Honolulu, Hawaii

**April 8**, 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 Finance, to which was referred S.B. No. 2724, S.D. 2, H.D. 1, 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 Construction Alliance; Hawaii State AFL-CIO; Hawaii Regional Council of Carpenters; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; and Pacific Resource Partnership testified in support of this measure. The Department of Land and Natural Resources; Agribusiness Development Corporation; Hawaii Housing Finance and Development Corporation; Department of Transportation; Division 16 Incorporated; General Contractors Association of Hawaii; Contract Furnishers of Hawaii, Inc. dba Office Pavilion; Building Industry Association of Hawaii; Healy Tibbitts Builders, Inc.; Waikiki Yacht Club; Robert M. Kaya Builders, Inc.; Nan, Inc.; King & Neel, Inc.; Airport Concessionaires Committee; Ohana Military Communities; Isemoto Contracting Co., Ltd.; Royal Palm Construction & Landscaping, Inc.; Ship Repair Association of Hawaii; Pacific Shipyards International; LYZ, Inc.; Sand Island Business Association; The Chamber of Commerce Hawaii; and one individual testified in opposition. The Department of Labor and Industrial Relations provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2724, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



