

Honolulu, Hawaii

APR 07 2017

RE: H.B. No. 208
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 208, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose and intent of this measure is to provide the Department of Labor and Industrial Relations with increased authority to enforce labor laws.

Specifically, this measure:

- (1) Requires the Department of Labor and Industrial Relations to issue a stop-work order for employers who fail to procure proper workers' compensation insurance or to provide their employees with information on workers' compensation rights and claims for benefits;
- (2) Requires that employees affected by a stop-work order shall be paid for the time lost, up to ten days;
- (3) Establishes a procedure for an employer to protest a stop-work order; and



- (4) Provides for the issuance of an order of wage payment violation to employers who fail to pay wages and other compensation.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; Hawaii Construction Alliance; Alan Shintani, Inc.; Hawaii Regional Council of Carpenters; Pacific Resource Partnership; Allied Builders System; and BIA-Hawaii.

Your Committee received written comments on this measure from the General Contractors Association of Hawaii and The Chamber of Commerce Hawaii.

Your Committee finds that some employers continue to ignore Hawaii's workers' compensation insurance requirements because penalties are insufficient to deter the illegal practice. These unscrupulous employers gain an illegal and economic advantage over their competitors at the expense of their employees. Your Committee further finds that requiring the Department of Labor and Industrial Relations to issue a stop-work order for non-complying employers will incentivize employers to follow the law, which will ultimately provide proper protections for employees.

Your Committee has amended this measure by specifying that a lawsuit to enjoin an employer who is in default of the workers' compensation insurance requirements under section 386-121, Hawaii Revised Statutes, may be filed in the judicial circuit of the employer's principal place of business in the State, in addition to where the violation occurred.

Your Committee requests that the amendments proposed by Pacific Resource Partnership, including authorizing the Department of Labor and Industrial Relations to impose a penalty of \$1,000 per day of violation of a stop-work order; making a technical amendment to delete reference to section 386-99, Hawaii Revised Statutes; and extending the time for the Department of Labor and Industrial Relations to issue a decision following a hearing on a stop-work order, be considered during Conference on the measure.

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



H.B. No. 208, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 208, H.D. 2, S.D. 2.

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



JILL N. TOKUDA, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 208, HD 2, SD 1	SDL, WAM	3/31/17		
<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 type="checkbox"/> Pass, unamended 2312	<input checked="" 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)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.				/
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	10			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes