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**LATE**

**Testimony to the Senate Committee on Ways & Means  
Friday, March 31, 2017  
9:30 am  
Conference Room 211**

**RE: HB 208 HD2 SD1 – Relating to Labor**

Chair Tokuda, Vice-Chair Dela Cruz, and members of the committee:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii is in support of the intent of HB 208 HD2 SD1, Relating to Labor, as necessary safeguards that were absent in prior versions of this bill seem to have been addressed.

This bill would authorize the Director of Labor and Industrial Relations or the Director's designee to issue and serve on an employer a stop-work order prohibiting the use of employee labor by the employer until the employer complies with the provisions of section 386-121 (workers' compensation rules).

BIA-Hawaii is in agreement with the testimony offered by the Pacific Resource Partnership (PRP).

We appreciate the opportunity to support the intent of HB 208 HD2 SD1.



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the Senate Committee on Ways and Means  
Friday, March 31, 2017 at 9:30 A.M.  
Conference Room 211, State Capitol**

**LATE**

**RE: HOUSE BILL 208 HD2 SD1 RELATING TO LABOR**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") would like to provide **comments** regarding HB 208 HD2 SD1, which authorizes the Director of Labor and Industrial Relations or the Director's designee to issue and serve on an employer a stop-work order prohibiting the use of employee labor by the employer until the employer complies with certain provisions regarding security for payments of workers' compensation coverage for employees; authorizes the Department of Labor and Industrial Relations (DLIR) to issue an order of wage payment violation to the employer in violation of provisions regarding payment of wages and other compensation; establishes penalties, enforcement, and protest procedures related to stop-work orders and orders of wage payment violations.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We appreciate the intent of the bill to ensure that all companies are on the same playing field in abiding by the laws and rules of the state. As there are many situations where there is an innocent error or mistake, we ask that the Director or their designee be given latitude to issue a stop-work order rather than the law mandating them to do so.

We also ask that the requirement that, "Any employee who is affected by the work stoppage shall be paid by the employer for the time lost, not to exceed ten days, pending compliance by the employer.", be removed from the bill. We believe that is overbearing and onerous on the employer. Also, what if the employer prevails in the hearing? Does the employee have to return their wages?

We also ask that the language in the bill be clarified so that non-compliance does not stop an entire project but just the violator's work.

Keep in mind that there are already safeguards in place. Current law already allows DLIR via the Attorney General to petition the Court to enjoin a business from carrying on its business if an employer is in default of their workers' compensation for a period of thirty days. There is also the Department of Commerce and Consumer Affairs, through its Regulated



# Chamber *of* Commerce HAWAII

*The Voice of Business*

Industries Complaint Office (RICO) which has the ability to cite for unlicensed activity, including non-compliance with workers compensation insurance and order a project to cease and desist. The City and County of Honolulu also has a similar ordinance which allows them to order a project to be stopped if it is based on public health and safety.

Lastly, we have concerns while this bill has its genesis in the construction industry; it applies to **all businesses** and could adversely affect many other companies and industries.

Thank you for the opportunity to testify.