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Honolulu, Hawaii

APR 26 2019

RE: S.B. No. 292
S.D. 1
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 292, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to ensure that service employees of state or county contractors are paid at wages that are certified to be accurate and in accordance with applicable labor laws. Specifically, this measure:

- (1) Specifies wage obligations of a contractor that performs services in excess of \$25,000 for any governmental agency;
- (2) Authorizes a governmental agency to withhold portions of payments from the contractor as the governmental agency considers necessary to cover the difference between the



required wages and the wages received by the employed laborers and mechanics;

- (3) Requires a contractor to submit a certified copy of all payrolls on a weekly basis to the governmental contracting agency; and
- (4) Specifies the contractor's obligations in connection with payroll records and the penalties for failure to comply.

Your Committee on Conference finds that service employees of contractors under state or county contracts require greater wage protection than is currently afforded. Your Committee on Conference further finds that in contrast to government-sponsored public works projects, where construction wages can be clearly verified through submission of certified payrolls, there is currently no mechanism to ensure that other types of workers on government service contracts are also being paid correctly. This measure requires contractors to maintain and submit certified payrolls which will help ensure that service employees are paid the correct wages and receive adequate compensation for what can be hazardous and difficult work.

Your Committee on Conference has amended this measure by:

- (1) Removing the findings;
- (2) Removing language that required a contractor or subcontractor to pay laborers and mechanics providing services, their full amount owed unconditionally and no less than once a week;
- (3) Clarifying that section 103-55, Hawaii Revised Statutes, applies to contracts for services performed by laborers and mechanics;
- (4) Removing language that provided for penalties for a contractor's failure to comply with obligations in connection with payroll records;
- (5) Inserting language to require a governmental contracting agency to pay, cause to be paid, or order to pay any wages or overtime compensation due to laborers or mechanics under certain conditions;



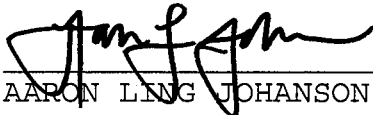
- (6) Inserting language that makes exceptions for contracts for furniture and equipment type work and existing contracts that were executed prior to this measure;
- (7) Changing the effective date to September 1, 2019; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 292, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 292, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



 AARON LING JOHANSON
 Co-Chair



 BRIAN T. TANIGUCHI
 Chair



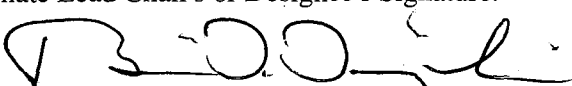

 STACELYNN W. M. ELI
 Co-Chair



Hawai'i State Legislature

CCR189

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 292, SD 1, HD 1					Date/Time: APRIL 26, 2019 10:33 AM						
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).											
<input type="checkbox"/> The Committee is reconsidering its previous decision.											
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.						
Senate Managers		A	WR	N	E	House Managers		A	WR	N	E
TANIGUCHI, Brian T., Chr.		✓				JOHANSON, Aaron Ling, Co-Chr.		✓			
GABBARD, Mike					✓	ELI, Stacelynn K.M., Co-Chr.		✓			
FEVELLA, Kurt		✓				MATSUMOTO, Lauren		✓			
TOTAL		2	0	0	1	TOTAL		3	0	0	0
A = Aye		WR = Aye with Reservations			N = Nay			E = Excused			
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted						
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 						
Distribution:		Original <i>File with Conference Committee Report</i>			Yellow <i>House Clerk's Office</i>		Pink <i>Senate Clerk's Office</i>		Goldenrod <i>Drafting Agency</i>		