

STAND. COM. REP. NO. 774

Honolulu, Hawaii

FEB 28 2019

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

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

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 292 entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose and intent of this measure is to require that a contractor contracting for services with a civil servant submit certified payrolls and comply with certain wages and hours laws.

Your Committee received testimony in support of this measure from the Hawai'i Construction Alliance, Hawaii Regional Council of Carpenters, Pacific Resource Partnership, Hawaii Laborers-Employers Cooperation and Education Trust, and LiUNA Local 368. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Design and Construction.

Your Committee finds that service employees of contractors under state or county contracts require greater wage protection than is currently afforded. Unlike chapter 104, Hawaii Revised Statutes, which covers public works construction, section 103-55, Hawaii Revised Statutes, does not provide sufficient provisions to ensure compliance. Without greater wage protection, contractors bidding on government service contracts can reduce their bid price by not appropriately compensating workers. This measure requires that contractors of service employees under state or county



contracts submit certified payrolls and comply with certain wage laws, which will ensure that workers on government service contracts are accurately and appropriately compensated.

Your Committee notes that professional service contracts are excluded from the certified payroll requirements and that the intent is that this requirement is limited to construction contracts.

Your Committee has amended this measure by:

- (1) Specifying that the requirement for certified payrolls applies to service contracts in excess of \$500,000; and
- (2) Inserting an effective date of January 1, 2051, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 292, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor, Culture and  
the Arts,



BRIAN T. TANIGUCHI, Chair



