

Honolulu, Hawaii

APR 03 2019

RE: H.B. No. 158
H.D. 1
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 158, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LABOR LAW COMPLIANCE FOR GOVERNMENT CONTRACTS,"

begs leave to report as follows:

The purpose and intent of this measure is to specify requirements for contractors and subcontractors to pay laborers and mechanics employed for government service contracts.

Specifically, with regard to contracts to perform services in excess of \$25,000 for any governmental agency, this measure:

- (1) Requires that mechanics and laborers be paid unconditionally and not less than once per week without deduction or rebate;
- (2) Requires that contractors provide laborers and mechanics with the rates of wages, except for where there is a collective bargaining agreement;
- (3) Authorizes governmental contracting agencies to withhold payments from contractors for amounts owed to laborers and mechanics;



- (4) Requires that certified copies of payrolls be submitted weekly to the governmental contracting agency for review;
- (5) Subjects the contractor to penalties for failure to comply with the statute; and
- (6) Establishes administration and enforcement provisions for the certification of payrolls.

Your Committee received written comments in support of this measure from the Hawaii Laborers-Employers Cooperation and Education Trust; Pacific Resource Partnership; Hawaii Regional Council of Carpenters; Landscape Association of Hawaii; Hawaii Construction Alliance; and Hawaii Laborer's Union, Local 368.

Your Committee received comments on this measure from the Department of Accounting and General Services and Department of Labor and Industrial Relations.

Your Committee finds this measure establishes safeguards to ensure that certain workers on government service contracts will be properly paid for their work under the contract.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the contractor or subcontractor fully pay mechanic and laborers once per week and without deduction or rebate;
- (2) Requiring that any payroll certification discrepancy be reported to the agency director instead of the Director of Labor and Industrial Relations;
- (3) Deleting the requirement that the contractor make payroll records available for examination to the Director of Labor and Industrial Relations, but retaining provisions that the records be made available to a governmental contracting agency or authorized representative thereof;



- (4) Deleting provisions that impose a penalty on a contractor who fails to comply with the requirements of the section;
- (5) Requiring that, for contracts for services performed by laborers and mechanics, the governmental contracting agency pay or take certain actions to cause the contractor to pay laborers and mechanics; and
- (6) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 158, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 158, H.D. 1, S.D. 2.

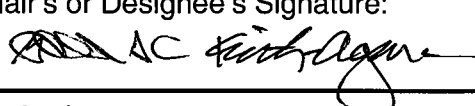
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB158, HDI, SDI	GVO/LCA, WAM	3/28/19		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	12			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes