

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2961
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 2961 entitled:

"A BILL FOR AN ACT RELATING TO WAGES,"

begs leave to report as follows:

The purpose and intent of this measure is to make general contractors entering into or under contracts in Hawaii for work on buildings or structures liable for debt incurred by subcontractors of any tier for wages due to claimants for performance of labor in the contract between the general contractor and owner.

Your Committee received testimony in support of this measure from the Hawaii Regional Council of Carpenters and Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Subcontractors Association of Hawaii, Building Industry Association of Hawaii. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committee finds that under existing law, general contractors are not liable for the unfair labor practices of their subcontractors, including but not limited to the nonpayment of wages. As a result, employees of subcontractors are, in certain instances, not getting adequately compensated for work they provide. This measure will hold general contractors liable for debt incurred by subcontractors for wages due to their employees,



which will ensure that general contractors take precautions in hiring subcontractors if they want to avoid being responsible for the subcontractor's nonpayment to their employees.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2051, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 2961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2961, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

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



BRIAN T. TANIGUCHI, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Labor, Culture and the Arts
LCA

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB 2961</i>	<i>LCA, CPH</i>	<i>2/11/2020</i>		
<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
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
GABBARD, Mike				✓
FEVELLA, Kurt				✓
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes