

STAND. COM. REP. NO. 2923

Honolulu, Hawaii

FEB 27 2020

RE: S.B. No. 2961
S.D. 2

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

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2961, S.D. 1, 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 the State for work on buildings, structures, or other private works liable for debt incurred by subcontractors for wages due to claimants for the performance of labor in a contract between the general contractor and the owner.

Your Committee received testimony in support of this measure from the Hawaii Regional Council of Carpenters. Your Committee received testimony in opposition to this measure from the Plumbing and Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii, and one individual. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committee finds that existing law does not extend liability to general contractors for the unfair labor practices of their subcontractors, including unpaid wages. As a result, some Hawaii workers are not fairly protected and go unpaid for work that ultimately benefits the general contractor. This measure helps to ensure that general contractors do not turn a blind eye



to the unscrupulous actions of their subcontractors and holds general contractors liable for debts incurred by subcontractors for unpaid wages due to their employees.

Your Committee has amended this measure by:

- (1) Clarifying that property of the general contractor may be attached for the payment of any judgment, not just judgments rendered after a trial, to allow the Department of Labor and Industrial Relations to continue enforcement after initiating administrative actions; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2961, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2961, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,




ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

| | | | | |
|---|---|---------------------------------------|-----|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB2961 SD1 | LCA, CPH | 2/20/20 | | |
| <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 |
| BAKER, Rosalyn H. (C) | ✓ | | | |
| CHANG, Stanley (VC) | ✓ | | | |
| NISHIHARA, Clarence K. | | | | ✓ |
| RUDERMAN, Russell E. | | | | ✓ |
| THIELEN, Laura H. | | | | ✓ |
| WAKAI, Glenn | ✓ | | | |
| FEVELLA, Kurt | ✓ | | | |
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| TOTAL | 4 | | | 3 |
| 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