

Honolulu, Hawaii

FEB 17 , 2022

RE: H.B. No. 2440
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Labor & Tourism, to which was referred H.B. No. 2440 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORKS,"

begs leave to report as follows:

The purpose of this measure is to impose a penalty on both the person and firm upon finding certain violations of chapter 104, Hawaii Revised Statutes, governing wages and hours of employees on public work projects.

Your Committee received testimony in support of this measure from the Hawaii Regional Council of Carpenters; Hawaii State AFL-CIO; Hawaii Operating Engineers Local Union No. 3; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and Hawai'i Nurses' Association, OPEIU Local 50. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committee finds that state law requires that laborers and mechanics performing on-site construction work for any public work project be paid no less than prevailing wages and keep certain hours, subject to conditions. This requirement and others apply to every contract in excess of \$2,000 for public work projects to which a governmental contracting agency is a party, with limited exceptions.



Your Committee further finds that violations of chapter 104, Hawaii Revised Statutes, result in monetary penalties or suspension against the person or firm found to be in violation. A third violation can result in a suspension from any new work for three years. This measure imposes penalties on both the person and firm, and in this manner, prohibits a contractor or other person from avoiding the suspension by simply forming another company.

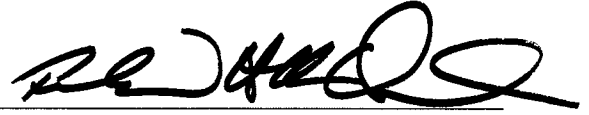
Your Committee has amended this measure by:

- (1) Clarifying that a "firm" includes a contractor, corporation, limited liability company, partnership, and limited partnership, as used in sections 104-24 and 104-25, Hawaii Revised Statutes;
- (2) Clarifying that a "person" includes the officers and directors of a corporation, managers and members of a limited liability company, partners, and limited partners, as used in sections 104-24 and 104-25, Hawaii Revised Statutes;
- (3) Changing the effective date to December 25, 2040, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2440, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Tourism,



RICHARD H.K. ONISHI, Chair



