

STAND. COM. REP. NO.

1863

Honolulu, Hawaii

MAR 31 , 2023

RE: S.B. No. 415  
S.D. 2  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 415, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WAGES,"

begs leave to report as follows:

The purpose of this measure is to make a general contractor entering into or operating under a contract in the State for the erection, construction, alteration, or repair of a building, structure, or other private construction work liable for the debt incurred by subcontractors for wages due to claimants, including interest owed, for performance of labor in the contract between the general contractor and the owner.

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

2023-3068 SB415 HD2 HSCR HMSO



Your Committee finds that under existing law, general contractors are not held accountable for the unfair labor practices of their subcontractors, which includes the nonpayment of wages. As a result, general contractors may accrue financial benefits from the unfair labor practices of their subcontractors without repercussions. This measure encourages general contractors to perform their due diligence before hiring subcontractors and provides the authority to general contractors to obtain a subcontractor's employee payroll records and project award information to ensure their subcontractors are complying with the law.

Your Committee has amended this measure by:

- (1) Making it effective upon approval; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 415, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 415, S.D. 2, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,



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DAVID A. TARNAS, Chair



