

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

March 19, 2024

To: The Honorable David A. Tarnas, Chair,
The Honorable Gregg Takayama, Vice Chair, and
Members of the House Committee on Judiciary and Hawaiian Affairs

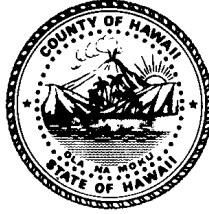
Date: Tuesday, March 19, 2024
Time: 2:00 p.m.
Place: Conference Room 325, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 2615 SD1 HD1 RELATING TO COUNTY LABOR STANDARDS

The **DLIR supports** SB2615 SD1 HD1 that authorizes the counties to enact ordinances requiring employers to disclose wage, hours, benefit information, and employment status and deny, revoke or suspend building permits based on violations of labor laws. If enacted, such ordinances would supplement State and Federal labor laws and would not affect State and Federal investigations. County ordinances could play a complementary role in encouraging adherence to labor laws designed to protect the welfare and livelihood of our local workforce.

Dr. Holeka Goro Inaba
Council Member, District 8, N. Kona



Office: (808) 323-4280
Email: holeka.inaba@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

March 18, 2024

COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Rep. David A. Tarnas, Chair

Rep. Gregg Takayama, Vice Chair

Re: Support for SB2615 Relating to County Labor Standards
Hearing: March 19, 2024 at 9:00 a.m.

Aloha,

Thank you for allowing me to express support for SB2615. This measure would authorize the counties to require employers to disclose information regarding its employees' wages, benefits, hours, and employment status and deny, revoke, or suspend a building permit application for violating laws relating to wages, benefits, hours, and employment status, under certain conditions.

This bill grants the county authority to establish labor standards tailored to its specific needs. By allowing counties to set standards for living wages, benefits, and requirements for participation in state-approved apprenticeship programs, it aims to address local workforce issues and potentially improve conditions for workers across the state.

This could lead to equitable employment opportunities and better standards of living for workers in Hawaii.

I urge you to pass SB2615.

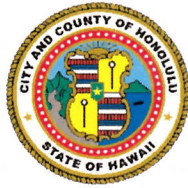
Sincerely,

DR. HOLEKA GORO INABA, Council Member
District 8, North Kona

OFFICE OF THE MAYOR
KE KE'ENA O KA MEIA
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov

RICK BLANGIARDI
MAYOR
MEIA



MICHAEL D. FORMBY
MANAGING DIRECTOR
PO'O HO'OKELE

KRISHNA F. JAYARAM
DEPUTY MANAGING DIRECTOR
HOPE PO'O HO'OKELE

March 18, 2024

The Honorable David A. Tarnas, Chair
The Honorable Gregg Takayama, Vice Chair
and Members of the Committee on Judiciary and Hawaiian Affairs
Hawaii State House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Tarnas, Vice Chair Takayama, and Members of the Committee on Judiciary and Hawaiian Affairs:

Subject: SB 2615 SD1 HD1, Relating to County Labor Standards

The City and County of Honolulu (City) respectfully asks for your **support** of SB2615 SD1 HD1.

SB2615 would allow each county to adopt labor standards, including wages, benefits, and other requirements for participation in state-approved apprenticeship programs. The City and County of Honolulu would look forward to set and adjust standards in order to support our local workforce in a way that ensures the needs of each county is met and the labor laws of the State of Hawaii are followed. Greater authority to enforce compliance and allow for additional transparency is appreciated.

Thank you for the opportunity to testify in support of this measure, please do not hesitate to contact the undersigned if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael D. Formby".

Michael D. Formby
Managing Director

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 18, 2024

TO: Honorable David A. Tarnas, Chair, and
Members of the House Committee on Judiciary & Hawaiian Affairs

FROM: Nohelani U'u-Hodgins *Nohelani U'u-Hodgins*
Councilmember

**SUBJECT: TESTIMONY IN SUPPORT OF SB 2615, SD1, HD1, RELATING TO
COUNTY LABOR STANDARDS**

DATE: Tuesday, March 19, 2024
2:00 p.m., Conference Room 325

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure authorizes counties to require employers to disclose information regarding its employees' wages, benefits, hours, and employment status and deny, revoke, or suspend a building permit application for violating laws relating to wages, benefits, hours, and employment status, under certain conditions.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

SB 2615, SD1, HD1, will give each county the power to require employers to disclose information regarding employees' employment status, wages, benefits, and hours and, if in violation, have the ability to deny, revoke, or suspend a building permit application.

March 18, 2024

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Many hard-working men and women are victimized by an “underground economy” where individuals and businesses utilize schemes to conceal or misrepresent their employee population to avoid one or more of their employer responsibilities related to wages, payroll taxes, insurance, licensing, safety, or other regulatory requirements.

It has become increasingly evident that labor violations have a detrimental impact on the livelihoods of our local workforce and the overall success of our communities. Counties can play an important role in stopping unlawful employers who take advantage of workers by not paying them earned wages and benefits.

I urge you to lend your support to SB 2615, SD1, HD1. By giving counties the power to require that employers disclose this important information, we take a significant step toward protecting our local workforce and ensuring the well-being of individuals and their families.

Mahalo for the opportunity to submit testimony in support of SB 2615, SD1, HD1.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
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Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL

COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 18, 2024

TO: Honorable David A. Tarnas, Chair
Honorable Greg Takayama, Vice Chair, and
Members of the House Committee on Judiciary & Hawaiian Affairs

FROM: Thomas Cook
Councilmember 

SUBJECT: **TESTIMONY IN SUPPORT OF SENATE BILL 2615 SD 1, HD 1
RELATING TO COUNTY LABOR STANDARDS**

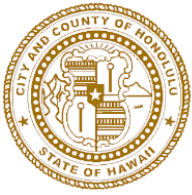
Thank you for the opportunity to testify in **support** of Senate Bill 2615 SD 1, HD 1 relating to County Labor Standards. This measure allows the Counties to have the power to adopt labor standards by amending Section 46-1.5 of the Hawaii Revised Statutes.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. The measure authorizes each county to have the power to require employers to disclose information regarding its employees' wages, benefits, hours, and employment status.
2. The measure allows the counties to be leaders for change, standing up for the working people, their families, and their community.
3. Labor law violations in areas such as labor, employment, tax, insurance, and occupational safety negatively impact hardworking families when businesses fail to comply with fair labor standards. If passed, the measure can provide counties with a policy tool to drive labor compliance and higher labor standards in their community.

For the foregoing reasons, I support this measure.



HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
530 S. KING ST. STE. 202, HONOLULU, HI 96813

TYLER DOS SANTOS-TAM
HONOLULU CITY COUNCIL
DISTRICT VI
TELEPHONE: (808) 768-5006
FAX: (808) 768-1176
EMAIL: tdossantos-tam@honolulu.gov

March 19, 2024

House Committee on Judiciary & Hawaiian Affairs
Representative David A. Tarnas, Chair
Representative Gregg Takayama, Vice Chair
And Members
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Tarnas, Vice Chair Takayama, and Members,

I write to support SB2615, Relating to County Labor Standards. The bill proposes to grant counties the power to “adopt labor standards, including but not limited to living wages, benefits, and requirements for participation in state-approved apprenticeship programs, provided that the labor standards adopted by the counties do not directly conflict with labor standards established by the State.”

The City and County of Honolulu enacted Ordinances 19-24 and 20-14, which set up the terms and conditions for “citywide community workforce agreements,” for certain City projects exceeding \$2M. The workforce agreements contain several key terms relating to labor standards, such as prohibiting discrimination on any basis prohibited by federal, State, or local law; resolving disputes by a mandatory, final, and binding arbitration procedure; a requirement against strikes, picketing, lockouts, and other labor actions; a requirement for apprentices to be indentured in a State-approved apprenticeship program; and the incorporation of the “Helmets to Hardhats” program, which creates pathways for careers in construction to returning veterans. For private projects, the City and County of Honolulu have extensive permitting requirements, monitored by building inspectors from the Department of Permitting and Planning.

Such requirements would empower the inspectors who visit construction sites to verify labor standards, such as wages, benefits, and apprenticeship standards. As you may have seen in the news, there have been many instances of construction projects occurring with labor abuses – including workers being subjected to unsafe conditions, wage theft, and being denied required benefits. There have been further allegations, including within my district, about immigrant construction workers on residential properties having their passports withheld or being required to live on job sites during construction of residential properties.

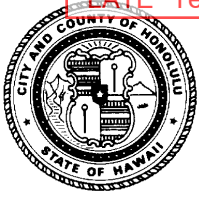
If the Counties had the power to adopt labor standards, with enforcement via existing City inspectors, we would be able to stop these unscrupulous actors more quickly, versus engaging in a multiagency enforcement process, as is the case now.

Mahalo nui for the opportunity to provide these comments in support of SB2615.

Me ka mahalo,

A handwritten signature in black ink, reading "Tyler Dos Santos-Tam". The signature is written in a cursive style.

Tyler Dos Santos-Tam
Councilmember, District 6



LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
530 S. KING ST. STE. 202, HONOLULU, HI 96813

MATT WEYER
HONOLULU CITY COUNCIL
DISTRICT II
TELEPHONE: (808) 768-5002
FAX: (808) 768-1222
EMAIL: mweyer@honolulu.gov

March 19, 2024

House Committee on Judiciary & Hawaiian Affairs
Representative David A. Tarnas, Chair
Representative Gregg Takayama, Vice Chair

RE: SB2615 SD1 HD1 - Relating to County Labor Standards

Chair Tarnas, Vice Chair Takayama, and Committee Members,

Thank you for the opportunity to testify in support of SB2615 SD1 HD1, Relating to County Labor Standards, which would authorize the City and County of Honolulu to (1) require employers to disclose information regarding its employees' wages, benefits, hours, and employment status, and (2) deny, revoke, or suspend a building permit application for violating laws relating to wages, benefits, hours, and employment status.

In addition to providing more oversight, this measure also provides counties with tools to help ensure that workers are protected from unscrupulous employers. Therefore, I stand in support of HB 1638 HD1 – Relating to County Labor Standards.

Therefore, I stand in support of SB2615 SD1 HD1, Relating to County Labor Standards. Thank you for the opportunity to submit testimony on this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "M. Weyer", is written over a horizontal line.

Matt Weyer
Councilmember, District 2
Honolulu City Council

SB-2615-HD-1

Submitted on: 3/18/2024 8:16:27 AM

Testimony for JHA on 3/19/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nathaniel Kinney	Hawaii Regional Council of Carpenters	Support	In Person

Comments:

HRCC is in support of this measure that will allow the counties to require "contractors" to disclose important information and allow counties to deny, revoke, or suspend building permit applications of contractors who are found in violation of laws relating to wages and benefits.

We believe wage fraud is a serious issue in Hawaii's construction industry, and we would hope that the committee could narrow the scope of this measure to concentrate on "contractors" as defined in HRS section 444-1 rather than all "employers"...as we have documented evidence of "contractor" wage fraud.

Testimony of
Pacific Resource Partnership

House Committee On Judiciary & Hawaiian Affairs
Representative David A. Tarnas, Chair
Representative Gregg Takayama, Vice Chair

SB 2615 SD1, HD1—Relating To County Labor Standards
Tuesday, March 19, 2024
2:00 P.M.

Aloha Chair Tarnas, Vice Chair Takayama, and Members of the Committee:

Pacific Resource Partnership (PRP) is a nonprofit organization that represents the Hawai'i Regional Council of Carpenters, the largest construction union in the state with approximately 6,000 members, in addition to more than 250 diverse contractors ranging from mom-and-pop owned businesses to national companies.

PRP writes in **support** of SB 2615 SD1, HD1, which allows, not requires, each county to have the power to adopt labor standards.

The hard-working men and women in the counties are victimized by an “underground economy” where individuals and businesses utilize schemes to conceal or misrepresent their employee population to avoid one or more of their employer responsibilities related to wages, payroll taxes, insurance, licensing, safety, or other regulatory requirements. The Maile Sky Court hotel-condo project in Waikiki is an example of the underground economy at work in the state. This was a \$25 million renovation project awarded to unscrupulous contractors who violated labor and licensing laws. On August 29, 2016, the joint enforcement working group raided the project which resulted in the following:

- Department of Labor and Industrial Relations issued a \$767,095 fine to R&R Construction for failing to provide prepaid health care, temporary disability, and workers’ compensation insurance to employees.
- The U.S. Department of Labor ordered R&R Construction to pay workers \$371,376 in back wages and damages for overtime violations.
- RICO issued Selby Construction Services a \$25,000 fine for unlicensed activity.
- Ron’s Electrical Services (sub) issued a \$10,000 fine for unlicensed activity.
- RICO issued TRG Construction a \$25,000 fine for unlicensed activity.

Unfortunately, fines issued by federal and state agencies did not stop unscrupulous contractors from completing this project, and these types of situations occur throughout the state. If, however, counties have the power to adopt and enforce ordinances allowing building officials to deny, revoke, or suspend a building permit application or permit for violating laws related to wages, benefits, hours, and employment status, property owners and developers are more likely to carefully select law-abiding contractors to build their projects.



(Continued From Page 1)

As such, we respectfully request your favorable decision on this measure. Thank you for this opportunity to submit written testimony.



March 19, 2024

TO: HONORABLE DAVID TARNAS, CHAIR, HONORABLE GREGG TAKAYAMA, VICE CHAIR, COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS.

SUBJECT: **COMMENTS ON S.B. 2615 SD1 HD1, RELATING TO COUNTY LABOR STANDARDS.** Authorizes the counties to require employers to disclose information regarding its employees' wages, benefits, hours, and employment status and deny, revoke, or suspend a building permit application for violating laws relating to wages, benefits, hours, and employment status, under certain conditions.

HEARING

DATE: Tuesday, March 19, 2024
TIME: 2:30 p.m.
PLACE: Capitol Room 325

Dear Chair Tarnas, Vice Chair Takayama and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA provides comments on S.B. 2615 SD1 HD1, which authorizes the counties to require employers to disclose information regarding its employees' wages, benefits, hours, and employment status and deny, revoke, or suspend a building permit application for violating laws relating to wages, benefits, hours, and employment status, under certain conditions.

GCA suggests the following clarifying amendment:

(28) Each county shall have the power to:

(A) Require employers to disclose information regarding its employees' wages, benefits, hours, and employment status; provided that employees primarily engaged in harbor-related operations shall be exempt from disclosure; and



(B) Deny, revoke, or suspend a building permit application if an employer is found to be in violation of laws as determined by the Department of Labor and Industrial Relations, United States Department of Labor, or judicial order relating to wages, benefits, hours, and employment status."

This amendment ensures that there is no misunderstanding regarding the authority to investigate and enforce violations of labor laws and that the violations have been fully investigated and properly adjudicated.

Thank you for the opportunity to provide comments on this measure.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
Thursday, March 19, 2024 AT 2:00 P.M.

To The Honorable David A. Tarnas, Chair
The Honorable Gregg Takayama, Vice Chair
Members of the Committee on Judiciary & Hawaiian Affairs

OPPOSE SB2615 SD1 HD1 RELATING TO COUNTY LABOR STANDARDS

The Maui Chamber of Commerce offers testimony to **OPPOSE SB2615 SD1 HD1**.

The Maui Chamber of Commerce notes that the bill does not have a stated purpose to this proposal, nor a reason why this is needed. It is difficult to determine the impetus of a proposal when nothing is stated in the documentation.

That being said, we feel, that for section A of the proposed language, a county does not need to review employer/employee information as we already have a state agency, the Department of Labor and Industrial Relations (DLIR,) that reviews this information. DLIR already handles enforcement of illegal labor practices. Having the county also be tasked with enforcement is redundant.

For section B of the proposed language, we believe the use of the word "found" is too broad. There should be an official determination by DLIR, US Department of Labor or judicial order before action should be taken. We agree that if there are bad actors, they should be appropriately punished for violating the laws. However, we are concerned that this may have significant unintended consequences for individuals who unknowingly hire someone with bad business practices. The way this proposal is worded, it could hurt two parties, both the contractor and the client/homeowner whose building permit can be revoked without the opportunity to hire a new contractor and keep their building permit in the queue.

While we have heard of extreme examples of unscrupulous behavior, those businesses were caught and held responsible by DLIR, the contractors licensing board, etc. This bill is too broad, overreaching, crosses industry sectors, and could be very harmful in the building sector, potentially even holding up housing developments.

For these reasons we **OPPOSE SB2615 SD1 HD1** and respectfully request it be deferred.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.