



GOV. MSG. NO. 815

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 14, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB1479 HD2 SD1 CD1, without my approval, and with the statement of objections relating to the measure.

HB1479 HD2 SD1 CD1

A BILL FOR AN ACT
RELATING TO LABOR.

Sincerely,

LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

July 14, 2009

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1479

Honorable Members
Twenty-Fifth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1479, entitled "A Bill for an Act Relating to Labor."

The purpose of this bill is to require public works contractors and subcontractors to provide a certified copy of a fringe benefit reporting form covering health and welfare benefits, pensions, annuities, vacation, training, and other fringe benefit costs. This submission shall be submitted weekly to the government contracting office.

This legislation is objectionable because it imposes an undue and unnecessary burden on contractors and subcontractors and would require them to report information that has been considered proprietary.

Contractors and subcontractors submit weekly certified payroll records to confirm compliance with Hawaii prevailing wage law. Fringe benefits, such as vacation and sick leave, help attract and retain workers and provide workers with non-tax incentives they might not otherwise enjoy. To force disclosure of this information could jeopardize these employee incentives and place firms working on public works projects at a competitive disadvantage to counterpart firms who do not have to disclose this data.

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Further, the need for such legislation is not supported by the empirical data collected by the State Department of Labor and Industrial Relations each year when they conduct their random investigations of public works contractors.

Adding to the paperwork burdens and accounting costs of employers at this time of economic stress is not sound policy and detracts from our efforts to encourage and assist employers and employees in the construction sector.

For the foregoing reasons, I am returning House Bill No. 1479 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "Linda Lingle", written in a cursive style.

LINDA LINGLE
Governor of Hawaii

A BILL FOR AN ACT

RELATING TO LABOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 104-3, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:
3 "(a) Every [~~such~~] contract subject to this chapter and the
4 specifications for [~~such contract~~] those contracts shall contain
5 a provision that a certified copy of all payrolls and a
6 certified copy of a fringe benefit reporting form supplied by
7 the department or any certified form that contains all of the
8 required fringe benefit information shall be submitted weekly to
9 the governmental contracting agency for review. The fringe
10 benefit reporting form shall itemize the cost of fringe benefits
11 paid by the general contractor or subcontractor for:
12 (1) Health and welfare benefits;
13 (2) Pension and annuity benefits;
14 (3) Vacation benefits;
15 (4) Continuing education and training benefits; and
16 (5) Other fringe benefit costs paid by the general
17 contractor or subcontractor.



1 The general contractor shall be responsible for the submission
2 of certified copies of the payrolls of all subcontractors. The
3 certification shall affirm that the payrolls are correct and
4 complete, that the wage rates contained therein are not less
5 than the applicable rates contained in the wage determination
6 decision of the director of labor and industrial relations
7 attached to the contract, and that the classifications set forth
8 for each laborer or mechanic conform with the work the laborer
9 or mechanic performed. Any certification discrepancy found by
10 the contracting agency shall be reported to the general
11 contractor and the director to effect compliance.

12 (b) Payroll records for all laborers and mechanics working
13 at the site of the work shall be maintained by the general
14 contractor and the general contractor's subcontractors, if any,
15 during the course of the work and preserved for a period of
16 three years thereafter. The records shall contain the name of
17 each employee, the employee's correct classification, rate of
18 pay, the itemized fringe benefit reporting form pursuant to
19 subsection (a), daily and weekly number of hours worked,
20 deductions made, and actual wages paid."



1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect on October 1, 2009.

