

STAND. COM. REP. NO.

808

Honolulu, Hawaii

MAR 18 2011

RE: H.B. No. 1434
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1434, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that a contractor may be charged with multiple violations of the prevailing wage law if, after investigation, the contractor is found to have committed multiple or recurring violations of the prevailing wage law on multiple public work projects.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii Government Employees Association; Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council of the AFL-CIO; Plumbers and Fitters Union, Local 675; International Brotherhood of Electrical Workers, Local Union 1186; and International Brotherhood of Electrical Workers, Local Union 1260. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii; Jas. W. Glover, Ltd.; Simmons Steel Corporation; Royal Contracting Co., Ltd.; Ralph S. Inouye Co., Ltd.; PVT Land Company, Ltd.; Curtis Law Construction; Tomco Corp.; S&M Sakamoto, Inc.; Koga Engineering and Construction, Inc.; LYZ, Inc.; Delta Construction Corporation; and Dorvin D. Leis Co., Inc.

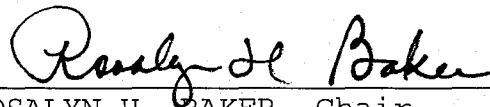


Your Committee finds that this measure enhances the capacity of the Department of Labor and Industrial Relations to ensure that contractors working on public work projects comply with Hawaii's prevailing wage law. Your Committee further finds that because investigations into wage law violations may take a year or more to complete and because accumulated violations expire after two years for purposes of the State's three-strikes license suspension policy, habitual violators frequently avoid penalties for their violations of the law. Your Committee acknowledges the concerns of the contractor community that a contractor engaged in multiple public work projects at one time may be subject to license suspension based on a single investigation. However, your Committee further finds that violations of the prevailing wage law cause serious harm to workers and their families. Therefore, it is in the public interest to quickly and effectively enforce the law.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1434, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

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



ROSALYN H. BAKER, Chair



