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# A BILL FOR AN ACT

RELATING TO PUBLIC WORKS.

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

1           SECTION 1. The legislature finds that the State of Hawaii  
2 spends hundreds of millions of dollars each year on capital  
3 improvement projects. These projects often serve a dual  
4 purpose. While many of these projects are designed to improve  
5 existing infrastructure through repair and renovation, other  
6 projects include the building of new infrastructure needed to  
7 keep up with an increasingly modern and global society that  
8 continues to grow. During difficult economic times, capital  
9 improvement projects help to stimulate a lackluster economy by  
10 providing employment opportunities and increasing cash flow into  
11 the economy.

12           At times, however, public construction projects face issues  
13 involving adherence to wage and hour laws. With the large  
14 amount of capital the State of Hawaii spends on various projects  
15 annually, it is imperative that Hawaii's wage and hour law be  
16 strictly enforced on public construction projects.



1           The purpose of this Act is to ensure that Hawaii's wage and  
2 hour law is strictly enforced on public construction projects  
3 by:

4           (1) Establishing the wage and hour for public works  
5 projects special fund to assist the department of  
6 labor and industrial relations in enforcing Hawaii's  
7 wage and hour law on public construction projects;

8           (2) Requiring state departments that receive  
9 appropriations of capital improvement project funds to  
10 transfer a percentage of those appropriations into the  
11 wage and hour for public works projects special fund;

12           (3) Requiring the department of labor and industrial  
13 relations to provide an annual status report of the  
14 wage and hour for public works projects special fund  
15 to the legislature; and

16           (4) Creating additional labor law enforcement specialist  
17 IV positions within the department of labor and  
18 industrial relations to enforce Hawaii's wage and hour  
19 law and appropriating funds for the positions.

20           SECTION 2. Chapter 371, Hawaii Revised Statutes, is  
21 amended by adding a new section to be appropriately designated  
22 and to read as follows:

1           "§371-           Wage and hour for public works projects special  
2 fund. (a) There is established in the state treasury a wage  
3 and hour for public works projects special fund.  
4           (b) With the exception of the department of  
5 transportation's airports division, any state department that  
6 receives an appropriation of funds for capital improvement  
7 projects shall transfer           per cent of all state fund  
8 appropriations made available for capital improvements  
9 designated for the construction cost element into the wage and  
10 hour for public works projects special fund; provided that this  
11 transfer shall apply only to capital improvement project  
12 appropriations that are designated for the construction or  
13 renovation of state buildings. The department shall not assess  
14 any fees or any other charges on any state department depositing  
15 moneys into the wage and hour for public works projects special  
16 fund.  
17           (c) The department shall expend moneys in the wage and  
18 hour for public works projects special fund to enforce the  
19 provisions of chapter 104 on public works projects.  
20           (d) The department shall provide an annual report to the  
21 legislature no later than twenty days prior to the convening of  
22 each regular session that provides the status of the wage and

1 hour for public works projects special fund, including but not  
2 limited to:

- 3       (1) The amount of funds deposited into the special fund;
- 4       (2) The amount of expenditures from the special fund;
- 5       (3) The state departments that deposited moneys into the  
6       special fund; and
- 7       (4) Any other activities of the special fund."

8       SECTION 3. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$            or so much  
10 thereof as may be necessary for fiscal year 2012-2013 for the  
11 establishment of three full-time equivalent (3.00 FTE) permanent  
12 labor law enforcement specialist IV positions in the wage  
13 standards division of the department of labor and industrial  
14 relations, to enforce the provisions of chapter 104, Hawaii  
15 Revised Statutes, for employees on public works projects.

16       The sum appropriated shall be expended by the department of  
17 labor and industrial relations for the purposes of this Act.

18       SECTION 4. New statutory material is underscored.

19       SECTION 5. This Act shall take effect on July 1, 2030.



**Report Title:**

Public Works; Wage and Hour Law; Special Fund; Appropriation

**Description:**

Establishes the Wage and Hour for Public Works Projects Special Fund and establishes and funds additional labor law enforcement specialist IV positions to assist the enforcement of Hawaii's wage and hour law on public construction projects. Specifies a funding mechanism for the special fund and requires an annual report. Exempts the Department of Transportation's Airports Division from the special fund fee. Effective 07/01/2030.

(SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

