

Honolulu, Hawaii

APR 29 2016

RE: S.B. No. 2723
S.D. 1
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2723, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ENFORCEMENT OF WAGE LAWS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to increase the maximum penalties for government contractors who violate the State's wages and hours of employees on public works law to:

- (1) A penalty that is equal to ten percent of the amount of back wages due or an unspecified amount per offense, whichever is greater, for the first offense;
- (2) A penalty equal to an unspecified amount per offense for a second violation occurring within two years of the first notification of violation; and



- (3) A penalty that is equal to an unspecified amount per offense for a third violation occurring within three years of the second notification of violation.

Your Committee on Conference finds that the existing penalties for government contractors who violate the State's wages and hours of employees on public works law, codified as chapter 104, Hawaii Revised Statutes, are insufficient in deterring certain contractors from underpaying employees. When contractors comply with chapter 104, Hawaii Revised Statutes, there is a level playing field for bidding on state and county projects. Implementation of this measure assists the Department of Labor and Industrial Relations in enforcing chapter 104, Hawaii Revised Statutes, and encourages government contractors to comply with the law.

Your Committee on Conference has amended this measure by:

- (1) Amending the penalty for the first violation to twenty-five percent of the amount of back wages found due or \$250 per offense, up to \$2,500, whichever is greater;
- (2) Amending the penalty for the second violation to the amount of back wages found due or \$500 per offense, up to \$5,000, whichever is greater;
- (3) Amending the penalty for the third violation to two times the amount of back wages found due or \$1,000 per offense, up to \$10,000, whichever is greater; and
- (4) Changing the effective date to July 1, 2016.


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2723, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2723, S.D. 1, H.D. 2, C.D. 1.




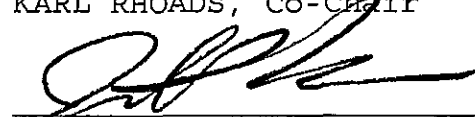
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE


ON THE PART OF THE SENATE


MARK M. NAKASHIMA, Co-Chair


KARL RHOADS, Co-Chair


JARRETT KEOHOKALOLE, Co-Chair


GILBERT S.C. KEITH-AGARAN, Chair


BRIAN T. TANIGUCHI, Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 2723, SD 1, HD 2	Date/Time: 4/29/16 4:30 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

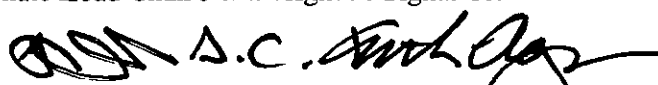
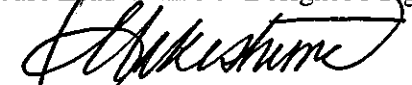
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KEITH-AGARAN, Gilbert S.C., Chr.	✓				NAKASHIMA, Mark M., Co-Chr.	✓			
TANIGUCHI, Brian T., Co-Chr.	✓				RHOADS, Karl, Co-Chr.				✓
KAHELE, Kaiali'i	✓				KEOHOKALOLE, Jarrett, Co-Chr.	✓			
					YAMASHITA, Kyle T.				✓
					FUKUMOTO CHANG, Beth	✓			
TOTAL	3				TOTAL	3			2

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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