

JAN 25 2017

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# A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

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

1           SECTION 1. Chapter 386, Hawaii Revised Statutes, is  
2 amended by adding a new section to part IV to be appropriately  
3 designated and to read as follows:

4           "§386- Building permits; workers' compensation  
5 coverage. (a) Each county that requires the issuance of a  
6 permit as a condition precedent to the construction, alteration,  
7 improvement, demolition, or repair of any building or structure  
8 shall also require that each applicant for such a permit, as a  
9 condition to the issuance of the permit:

10           (1) Provide to the county a signed declaration under  
11           penalty of perjury that the applicant, including the  
12           applicant's subcontractors, if any, have secured  
13           workers' compensation coverage or State-approved self-  
14           insurance in accordance with this chapter. The  
15           declaration shall also provide the name and workers'  
16           compensation policy of the applicant and the  
17           applicant's subcontractors, and the applicant and the



1           applicant's subcontractors' federal or state employer  
2           identification numbers; or

3           (2) If the applicant or the applicant's subcontractors are  
4           exempt from this chapter, provide to the county a  
5           signed declaration, under penalty of perjury, that  
6           includes the exempt party's federal or state employer  
7           identification number and the basis for the claimed  
8           exemption.

9           (b) The county building permitting agency shall submit a  
10          copy of the signed declaration required by this section to the  
11          director within three business days after receiving it from the  
12          applicant.

13          (c) Upon receiving the signed declaration from the county  
14          building permitting agency, the director shall verify that the  
15          applicant and the applicant's subcontractors have secured  
16          workers' compensation coverage, State-approved self-insurance,  
17          or an exemption from this chapter, and the director shall notify  
18          the county building permitting agency of the director's findings  
19          in a timely manner.

20          (d) A permittee shall file a signed declaration, in the  
21          same manner as required in subsection (a), that verifies



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1 worker's compensation coverage, State-approved self-insurance,  
2 or an exemption from coverage under this chapter for any  
3 subcontractor hired after the issuance of the building permit.

4 (e) The county building permitting agency shall suspend a  
5 building permit, upon receiving notice from the director that  
6 the workers' compensation insurance, State-approved self-insured  
7 status, or exemption from this chapter, of the permittee or any  
8 subcontractor of the permittee has been cancelled or has  
9 expired. The building permit shall be suspended until coverage  
10 is obtained for all work performed pursuant to the building  
11 permit."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

Kal Rhoads  
A.C. Fitch Jones



# S.B. NO. 1131

**Report Title:**

County Building Permits; Workers' Compensation Coverage

**Description:**

Requires building permit applicant and their subcontractors to have and verify workers' compensation coverage or an exemption from coverage. Requires coordinated communication between county building permitting agencies and the Director of the Department of Labor and Industrial Relations to ensure compliance.

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

