
A BILL FOR AN ACT

RELATING TO LABOR.

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

1 SECTION 1. Section 103-55, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§103-55 Wages, hours, and working conditions of employees
4 of contractors performing services. (a) Before any offeror
5 enters into a contract to perform services in excess of \$25,000
6 for any governmental agency, the offeror shall certify that the
7 services to be performed will be performed under the following
8 conditions:

9 (1) Wages. The services to be rendered shall be performed
10 by employees paid at wages or salaries not less than
11 the wages paid to public officers and employees for
12 similar work. For contracts for services performed by
13 laborers and mechanics, the contractor or the
14 contractor's subcontractor shall give a copy of the
15 rates of wages to each laborer and mechanic employed
16 under the contract by the contractor at the time each
17 laborer and mechanic is employed; provided that the
18 contractor does not have to provide the contractor's



1 employees the wage rate schedules where there is a
2 collective bargaining agreement; and

3 (2) Compliance with labor laws. All applicable laws of
4 the federal and state governments relating to workers'
5 compensation, unemployment compensation, payment of
6 wages, and safety will be fully complied with.

7 (b) For contracts for services performed by laborers and
8 mechanics, the governmental contracting agency may withhold from
9 the contractor so much of the accrued payments as the
10 governmental contracting agency may consider necessary to pay to
11 the laborers and mechanics employed by the contractor or any
12 subcontractor on the job site the difference between the
13 required wages and the wages received and not refunded by the
14 laborers and mechanics.

15 (c) Every contract covered under this section for services
16 performed by laborers and mechanics and the specifications for
17 the contract shall contain a provision that a certified copy of
18 all payrolls shall be submitted weekly to the governmental
19 contracting agency for review. The contractor shall be
20 responsible for the submission of certified copies of the
21 payrolls of all subcontractors. The certification shall affirm



1 that the payrolls are correct and complete, the wage rates
2 contained therein are not less than the applicable rates, and
3 the classifications set forth for each laborer or mechanic
4 conform with the work the laborer or mechanic performed. Any
5 certification discrepancy found by the governmental contracting
6 agency shall be reported to the contractor and the agency
7 director to effect compliance.

8 Payroll records for all laborers and mechanics working at
9 the site of the work shall be maintained by the contractor and
10 the contractor's subcontractors, if any, during the course of
11 the work and preserved for a period of three years thereafter.
12 The records shall contain the name of each employee, the
13 employee's correct classification, rate of pay, daily and weekly
14 number of hours worked, deductions made and actual wages paid.
15 The contractor shall make payroll records available for
16 examination within ten days from the date of a written request
17 by a governmental contracting agency or any authorized
18 representatives thereof.

19 (d) For contracts for services performed by laborers and
20 mechanics, the governmental contracting agency shall:



1 (1) Pay or cause to be paid, within sixty days of a
2 determination made by the contracting agency, directly
3 to laborers and mechanics, from any accrued payment
4 withheld under the terms of the contract, any wages or
5 overtime compensation found to be due to laborers or
6 mechanics under the terms of the contract subject to
7 this section; and

8 (2) Order any contractor to pay, within sixty days of a
9 determination made by the contracting agency, any
10 wages or overtime compensation that the contractor, or
11 any of the contractor's subcontractors, should have
12 paid to any laborer or mechanic under any contract
13 subject to this section.

14 ~~[(b)]~~ (e) No contract to perform services for any
15 governmental contracting agency in excess of \$25,000 shall be
16 granted unless all the conditions of this section are met.
17 Failure to comply with the conditions of this section during the
18 period of contract to perform services shall result in
19 cancellation of the contract, unless such noncompliance is
20 corrected within a reasonable period as determined by the
21 procurement officer. Final payment of a contract or release of



1 bonds or both shall not be made unless the procurement officer
2 has determined that the noncompliance has been corrected.

3 It shall be the duty of the governmental contracting agency
4 awarding the contract to perform services in excess of \$25,000
5 to enforce this section.

6 [~~e~~] (f) This section shall apply to all contracts to
7 perform services in excess of \$25,000, including contracts to
8 supply ambulance service and janitorial service.

9 This section shall not apply to:

- 10 (1) Managerial, supervisory, or clerical personnel;
- 11 (2) Contracts for supplies, materials, or printing;
- 12 (3) Contracts for utility services;
- 13 (4) Contracts to perform personal services under section
14 46-33(7), (8), and (9), section 76-16(b)(2), (3),
15 (12), and (15), and section 76-77(7), (8), and (12);
- 16 (5) Contracts for professional services;
- 17 (6) Contracts to operate refreshment concessions in public
18 parks, or to provide food services to educational
19 institutions;
- 20 (7) Contracts to provide transportation services for
21 school children; [~~e~~]



- 1 (8) Contracts with nonprofit institutions [-];
- 2 (9) Contracts for furniture and equipment type work; or
- 3 (10) Existing contracts that were executed prior to the
- 4 effective date of Act , Session Laws of Hawaii
- 5 2019."

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

8 SECTION 3. This Act shall take effect on September 1,
9 2019.



Report Title:

Contractors; Government Contracts; Labor Law; Compliance;
Mechanics; Laborers

Description:

Specifies requirements for contractor or subcontractor payment to all mechanics and laborers employed on a government service contract job site. Permits governmental contracting agencies to withhold accrued payments as necessary to pay mechanics and laborers. Requires that contractors for public works projects maintain and submit weekly certified payroll records to demonstrate compliance with wage and hour requirements. Exempts certain types of contracts. Takes effect on 9/1/2019. (CD1)

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

