

SAH - Subcontractors Association of Hawaii

1188 Bishop St., Ste. 1003Honolulu, Hawaii 96813-3304**

Phone: (808) 537-5619 ✦ Fax: (808) 533-2739

June, 2022

2022 LEGISLATIVE REPORT

In the 2022 legislature there were 2505 bills introduced. Of that, 343 passed. Who cares? Well probably no one except for people like us who had to look at all of them.

This was the third year that the Legislature had to operate under COVID conditions. Some would argue that due to COVID, and therefore the necessity of ZOOM hearings, the session was easier particularly in terms of providing input. Others would argue that legislators were a lot harder to contact, particularly on a "one on one" basis. Whatever the viewpoint, the Legislature marched on and they passed some legislation that will affect our members that you need to know about.

This year the Legislature passed a \$8.7 billion budget. It totals \$16.9 billion with federal money and bond financing for 2023. That includes \$350M for Aloha Stadium and \$6 billion in CIP projects for 2022 and 2023.

ENERGY

H.B. 1801 establishes deadlines for State facilities (except smaller ones) to implement cost effective energy efficiency measures. The Hawaii State Energy Office has to collect utility bill and energy usage data as of July 1, 2023. Cost effective design of all new State buildings must be done to maximize energy and water efficiency. *Effective 7/1/22.*

H.B. 2255 requires that utility rebates be used where available for State buildings and facilities. It prioritizes the building and facility appliances that need to require standards. *Effective 7/1/22.*

S.B. 2862 is an appropriation bill allowing money to DOE to install air conditioning units for public school classrooms that have not yet received AC units. *Effective 7/1/22.*

Procurement – State/County Jobs

H.B. 1974 establishes the Small Business Assistance Initiative which will consist of a Small Business Procurement Coordinator and a Small Business Office. *Effective on approval.*

S.B. 2383 decreases the number of members on the State Procurement Policy Board from seven (7) to five (5) and it changes the experience requirements in order to be placed on the Board. *Effective on approval.*

S.B. 2387 requires agencies to publically post their reasons for cancelling an invitation for bids or request for proposals at a minimum of ten (10) days prior by placing it on the agencies website. *Effective on approval.*

S.B. 3040 authorizes the State Procurement Administrator to develop a procurement automation system and to charge and collect a transaction fee for the use of the system. *Effective 7/1/22.*

S.B. 3369 establishes a Procurement Services Consolidation Working Group to develop a plan for consolidating all State Executive Branch Procurement Services within five (5) years. *Effective 7/1/22.*

S.B. 3372 authorizes the Office of Administrative Hearings (OAH) to award a government contract to the next lowest bidder if it is determined the award of a contract was in violation of the law and the award is rescinded. *Effective 7/1/22.*

EMPLOYMENT ISSUES

H.B. 2471 clarifies the fee structure for your unemployment tax. You will recall that during COVID the Unemployment Insurance Fund went broke and the State had to borrow money from the Feds. That caused the funding formula to go to the very highest category which would have your unemployment insurance tax go up triple or even perhaps quadruple. As a result of our encouragement, H.B. 2471 helps minimize that impact by slightly altering the schedule so that your tax is probably doubled rather than tripled. *Effective on approval.*

H.B. 2495 prohibits an employer from entering into or requiring an employee to enter into a non-disclosure agreement if it pertains to sexual harassment or sexual assault occurring in the workplace. *Effective on approval.*

H.B. 2510 is the minimum wage increase bill. For your reference the schedule is:

| | |
|----------------------|------------------|
| Current Minimum Wage | \$10.10 per hour |
| Effective 10/1/2022 | \$12.00 per hour |
| Effective 1/1/2024 | \$14.00 per hour |
| Effective 1/1/2026 | \$16.00 per hour |
| Effective 1/1/2028 | \$18.00 per hour |

Act 114. Approved 6/22/22.

S.B. 2298 increases the penalty for employers who do not pay the proper wages in accordance with the State Wage and Hour Law. It upgrades the penalty to a Class C felony and adds a minimum penalty of \$500 per violation. *Effective on approval.*

S.B. 3289 creates a Hawaii Retirement Savings Program which is State facilitated payroll deduction plan for individuals that do not have access to an employer sponsored plan at their place of work. This bill provides for an implementation evaluation study as well as providing for a State match of up to \$500 to the accounts of the first 50,000 covered employees who participate in the program within the first twelve (12) months. *Effective on approval.*

BILLS THAT DIED

You probably know that SAH not only plays offense but also defense and typically for the last six (6) or seven (7) years we've had to defend the Subcontractor Listing Law. This law is important for our members that do work with general contractors and general contractors have expressed their frustration with the law. In prior legislative sessions we have beat every proposal that the general contractors put forth. This year, in the spirit of cooperation, we agreed to some minor changes in the law, BUT, NOT TO WORRY, even those did not pass.

Lastly, there was also a bill that would have affected any contractor who did residential insurance work after a natural disaster like a hurricane. It had many onerous features to it including the prohibition of putting a sign in the yard and a five (5) day cancellation period after the consumer signed the contract. The bill did not survive.

HOW CAN YOU HELP???

You probably know that this election year, every single legislator is up for election due to reapportionment; all Senators and all Representatives and, of course, the Lieutenant Governor and Governor. In pre-COVID days, it was quite common that they would walk their districts which also gave you an opportunity to provide input. This activity has been kind of restricted although there may be some. It is our advice to you that if a legislator or candidate knocks on your door, that you invite them in, talk to them for a while and let them know about some of these important issues particularly Subcontractor Listing, if you want to retain that.

The Primary Election is on Saturday, August 13, 2022 which is the main election for many candidates who don't have opposition and of course November 8, 2022 is the General Election date. If you have questions on how particular legislators have treated our issues, feel free to contact the SAH Offices.