Honolulu, Hawaii

FC48, 2006

RE: H.B. No. 1979 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns, to which was referred H.B. No. 1979 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose of this bill is to ensure that homes, buildings, and facilities in Hawaii are properly maintained by allowing unlicensed contractors to complete projects that cost not more than \$100,000. The current statute allows unlicensed contractors to accept and complete projects that cost not more than \$1,000.

Clark Realty, Blue Sky Realty and Management, Realty and Rentals, Inc., Inoue Hawaii Realty Corporation, Hawaiian Isle Real Estate LLC, Alpha Real Estate and Management Co., Alice Reeves Realty, Landmark Maui Properties, Big Island Brokers, Realtor-Broker, West Oahu Realty, Luke and Associates Realty, Inc., Property Profiles, Cynthia Rubinstein Real Estate, Inc., and numerous other realtors, brokers, and concerned individuals testified in support of this bill. The Hawaii Association of Realtors supported the intent of this bill. The Department of Accounting and General Services, Board of Electricians and Plumbers, Contractors License Board, Associated Builders and Contractors, Inc., Plumbing and Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii, Sheet Metal Contractors Association, and Plumbers and Pipefitters Union Local 675 testified in opposition to this measure. The Department of Commerce and Consumer Affairs provided comments on this measure.

The recent boom in Hawaii's construction industry has made it difficult to find contractors willing to undertake small, low-cost, but necessary home and building projects. Increasing the exemption for unlicensed contracting work will benefit home and building owners.

However, your Committee finds that there needs to be further discussion regarding an appropriate amount of increase. Accordingly, your Committee has amended this bill by:

- (1) Replacing the \$100,000 unlicensed contractor exemption cap with a blank amount to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1979, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business Concerns,



State of Hawaii House of Representatives The Twenty-third Legislature

HSCR 110-06

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.:	Date:			
нв 1979	Feb. 6, 2006			
Committee Referral: EDB, LAB, CPC	The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended Pass, with amendments				
☐ Hold	□ Re	commit	· · · · · · · · · · · · · · · · · · ·	
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KARAMATSU, Jon Riki (C)				
2. WAKAI, Glenn (VC)				
3. ABINSAY, Felipe P., Jr.				
4. CHANG, Jerry L.				
5. HERKES, Robert N.				Y
6. MAGAOAY, Michael Y.				
7. TSUJI, Clift				
8. YAMASHITA, Kyle T.				
9. CHING, Corinne W.L.				
10. MARUMOTO, Barbara C.				
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TOTAL	5		φ	
The recommendation is:				
☐ Not Adopted				
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				