STAND. COM. REP. NO. 1819

Honolulu, Hawaii

, 2007 RE: S.B. No. 1425

> S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1425, S.D. 2, H.D. 1, entitled:

> "A BILL FOR AN ACT RELATING TO CONTRACTOR LICENSING REQUIREMENTS DURING A STATE OF EMERGENCY OR DISASTER,"

begs leave to report as follows:

The purpose of this bill is to ensure that an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster. Specifically, this measure:

- (1)Authorizes the Contractors License Board (Board) to issue emergency contractor's licenses to qualified outof-state contractors;
- (2) Authorizes the Board to establish an Emergency Contractors Recovery Fund to assist in covering liability costs for persons injured as a result of work performed by a contractor that is issued an emergency license to perform necessary repairs and reconstruction work during a state of emergency or disaster;
- (3) Authorizes the Board to collect fees from applicants for an emergency contractor's license;

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- (4) Requires a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (5) Requires that an applicant for an emergency contractor's license provide:
 - (A) Proof of workers' compensation, property damage, and liability insurance in an amount not less than \$300,000 per occurrence and \$600,000 in the aggregate;
 - (B) A current financial statement prepared by a certified public accountant;
 - (C) A credit report; and
 - (D) Proof of intent to pay any and all applicable state general excise taxes by means of a state tax clearance statement;
- (6) Clarifies that a contractor who is issued an emergency contractor's license is subject to requirements set by Hawaii's contractor laws under Chapter 444, Hawaii Revised Statutes; and
- (7) Specifies that an emergency contractor's license shall only be valid during the period that the emergency exists.

State Farm Insurance Company supported this bill. The Board and Subcontractors Association of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 1425 SD2, HD1	Date: April 2, 2007			
Committee Referral: PSM, CPC	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	☐ Pass, with amendments			
☐ Hold	Pass, with amendments, for recommittal for further consideration			
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	χ			
2. McKELVEY, Angus L.K. (VC)	ን			
3. CALDWELL, Kirk	<u> </u>			
4. EVANS, Cindy	×			
5. GREEN, Josh, M.D.	Х			
6. ITO, Ken	X X			
7. LUKE, Sylvia				
8. MORITA, Hermina M.	<u> </u>			
9. SONSON, Alex M.	У			
10. SOUKI, Joseph M.	_ X			
11. TSUJI, Clift	Χ			
12. YAMANE, Ryan I.	_ X			
13. YAMASHITA, Kyle T.	- 人			
14. MARUMOTO, Barbara C.		/		
15. THIELEN, Cynthia				
TOTAL	13		A. C.	
The recommendation is: Adopted Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				