Honolulu, Hawaii

A ... 4 , 2008

RE: S.B. No. 2896

S.D. 2 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred S.B. No. 2896, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

beg leave to report as follows:

The purpose of this bill is to address unlicensed contractor activity by, among other things:

- (1) Requiring investigators to issue citations and cease and desist orders to persons engaging in unlicensed contractor activity;
- (2) Prohibiting the resumption of work by any contractor issued a citation for operating without a license until the contractor obtains the licenses necessary to perform the work;
- (3) Providing that in addition to each day a contractor violates or fails to comply with a cease and desist order, each day's violation or failure to comply with the license requirements for contractors is deemed a separate offense; and
- (4) Increasing the fines for working without a license.

The Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Commerce and Consumer Affairs, Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Ralph S. Inouye Co., Ltd., opposed this measure. The Subcontractors Association of Hawaii provided comments.

While increasing the amounts of fines would help deter unlicensed contractor activity, there are concerns that the penalties provided by this bill are excessive.

Accordingly, your Committees have amended this bill by:

- (1)Making the following amendments to encourage further discussion:
 - (A) Changing the amounts of the fines to unspecified sums; and
 - (B) Changing the effective date to January 1, 2020; and
- Clarifying that citations and cease and desist orders are to be issued to contractors working without a license in good standing.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2896, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2896, S.D. 2, H.D. 2.

> Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

ROBERT N. HERKES, Chair

SB2896 HD2 HSCR CPC-JUD HMS 2008-3531



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:			Date:				
SB 2896, SD2, HD1	LAB, CPC/JUD 3-31-08							
☐ The committee is reconsidering its previous decision on the measure.								
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold								
☐ Pass short form bill with HD to recommit for future public hearing (recommit)								
CPC Members		Ayes	Ayes (WF	R) Nays	Excused			
1. HERKES, Robert N. (C)	-	/						
2. McKELVEY, Angus L.K. (VC)								
3. EVANS, Cindy								
4. GREEN, Josh, M.D.								
5. ITO, Ken		1						
6. LUKE, Sylvia								
7. MORITA, Hermina M.								
8. SONSON, Alex M.					<i></i>			
9. SOUKI, Joseph M.				Control of the contro				
10. TSUJI, Clift		√						
11. YAMANE, Ryan I.								
12. YAMASHITA, Kyle T.13. MARUMOTO, Barbara C.								
14. THIELEN, Cynthia								
14. THIELEN, Cynuna								
ALAMANA MARIANTA								
TOTAL (14)		9			5			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office								

State of Hawaii House of Representatives The Twenty-fourth Legislature

HSCR 1668-08

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: Committee								
B2896,SD2,HD1(HSCR1297-08) LAB,CPC/JUD			3-31-08					
☐ The committee is reconsidering its previous decision on the measure.								
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)								
JUD Members	Ayes	Ayes (WR)	Nays	Excused				
1. WATERS, Tommy (C)	/							
2. OSHIRO, Blake K. (VC)								
3. EVANS, Cindy								
4. GREEN, Josh, M.D.								
5. ITO, Ken								
6. LUKE, Sylvia								
7. McKELVEY, Angus L.K.				/				
8. MORITA, Hermina M.				/				
9. SONSON, Alex M.								
10. SOUKI, Joseph M.				/				
11. TSUJI, Clift	/							
12. YAMANE, Ryan I.				~				
13. YAMASHITA, Kyle T.								
14. MARUMOTO, Barbara C.	/							
15. PINE, Kymberly Marcos								
16. THIELEN, Cynthia								
TOTAL (16)	10	\		5				
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Committee	Duplicate (Yello	w) – Chief Clerk'	s Office					