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# A BILL FOR AN ACT

RELATING TO CONTRACTORS.

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

1       SECTION 1. The legislature finds that high housing costs  
2 are a main reason why Hawaii is the most expensive place to live  
3 in the country. Chapter 444, Hawaii Revised Statutes, requires  
4 that a licensed contractor be hired for any construction work  
5 that costs more than \$1,000 or that requires a building permit.  
6 However, the "handyman exemption" to chapter 444, Hawaii Revised  
7 Statutes, allows the hiring of a person not licensed as a  
8 contractor if the total cost of the project, including labor,  
9 materials, and all other costs, is equal to or less than \$1,000.

10       The legislature also finds that as housing costs have  
11 increased in Hawaii, the cost of housing materials has also  
12 increased. As a result, small home repair projects may easily  
13 exceed \$1,000. Additionally, due to an increase in construction  
14 in the State, residents who wish to remodel their homes or  
15 complete small home repair projects may wait months before a  
16 licensed contractor is available to perform the work. Despite  
17 an increase in costs and a shortage of licensed contractors, the



1 handyman exemption amount has not been increased since 1992.  
2 Accordingly, the legislature finds that in order to combat high  
3 housing costs, the "handyman exemption" should be expanded to  
4 provide faster, easier access to construction services for  
5 smaller projects.

6 The purpose of this Act is to raise the threshold under the  
7 contractor licensing law's "handyman exemption" from \$1,000 to  
8 \$5,000.

9 SECTION 2. Section 444-2, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "**§444-2 Exemptions.** This chapter shall not apply to:

12 (1) Officers and employees of the United States, the  
13 State, or any county while in the performance of their  
14 governmental duties;

15 (2) Any person acting as a receiver, trustee in  
16 bankruptcy, personal representative, or any other  
17 person acting under any order or authorization of any  
18 court;

19 (3) A person who sells or installs any finished products,  
20 materials, or articles of merchandise that are not  
21 actually fabricated into and do not become a permanent



1 fixed part of the structure, or to the construction,  
2 alteration, improvement, or repair of personal  
3 property;

4 (4) Any project or operation for which the aggregate  
5 contract price for labor, materials, taxes, and all  
6 other items is not more than [~~\$1,000.~~] \$5,000. This  
7 exemption shall not apply in any case where a building  
8 permit is required regardless of the aggregate  
9 contract price, nor where the undertaking is only a  
10 part of a larger or major project or operation,  
11 whether undertaken by the same or a different  
12 contractor or in which a division of the project or  
13 operation is made in contracts of amounts not more  
14 than [~~\$1,000~~] \$5,000 for the purpose of evading this  
15 chapter or otherwise;

16 (5) A registered architect or professional engineer acting  
17 solely in the person's professional capacity;

18 (6) Any person who engages in the activities regulated in  
19 this chapter as an employee with wages as the person's  
20 sole compensation;

21 (7) Owner-builders exempted under section 444-2.5;



(8) Any joint venture if all members thereof hold licenses issued under this chapter;

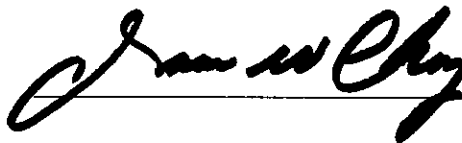
(9) Any project or operation where it is determined by the board that less than ten persons are qualified to perform the work in question and that the work does not pose a potential danger to public health, safety, and welfare; or

(10) Any public works project that requires additional qualifications beyond those established by the licensing law and which is deemed necessary and in the public interest by the contracting agency."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY:



JAN 21 2015





# H.B. NO. 103

**Report Title:**

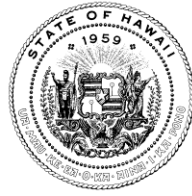
Contractors; Exemption

**Description:**

Raises the threshold under the contractor licensing law's "handyman exemption" from \$1,000 to \$5,000.

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





DAVID Y. IGE  
GOVERNOR

SHAN S. TSUTSUI  
LT. GOVERNOR

**STATE OF HAWAII**  
**OFFICE OF THE DIRECTOR**  
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
[www.hawaii.gov/dcca](http://www.hawaii.gov/dcca)

CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**PRESENTATION OF  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
REGULATED INDUSTRIES COMPLAINTS OFFICE**

**TO THE HOUSE COMMITTEE ON  
ECONOMIC DEVELOPMENT & BUSINESS**

**TWENTY-EIGHTH STATE LEGISLATURE  
REGULAR SESSION, 2015**

**TUESDAY, FEBRUARY 10, 2015  
9:00 A.M.**

**TESTIMONY ON HOUSE BILL NO.103  
RELATING TO CONTRACTORS**

**TO THE HONORABLE DEREK S.K. KAWAKAMI, CHAIR,  
AND TO THE HONORABLE SAM SATORU KONG, VICE CHAIR,  
AND MEMBERS OF THE COMMITTEE:**

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify regarding House Bill No. 103, Relating to Contractors. My name is Daria Loy-Goto, Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). RICO takes no position on the bill, but offers the following comments.

House Bill No. 103 amends Section 444-2, Hawaii Revised Statutes, by increasing the "handyman" exemption for unlicensed contracting work from a total project or operation cost of \$1,000 to \$5,000. In effect, the bill would permit all

construction work under \$5,000, except electrical and plumbing work, to be performed by unlicensed builders.

All of the State's licensing laws are fundamentally designed to protect Hawaii's citizens. The State's contracting law is no exception. Contracting laws set forth experience, education, workmanship, and disclosure requirements that are geared toward ensuring that contracting work in this State meets certain minimum standards. The current \$1,000 handyman exemption represents a policy judgment by the Legislature that the risk of harm to consumers for jobs under \$1,000 is reasonable, in light of the typical work that is performed in that price range. While RICO recognizes that there are market factors that are driving an interest in permitting more unlicensed activity to occur, any increase in the exemption amount as proposed in this bill should be approached with caution, in order to ensure that consumer interests are not adversely affected.

Thank you for this opportunity to testify on House Bill No. 103. I will be happy to answer any questions that the members of the Committee may have.

**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON  
ECONOMIC DEVELOPMENT AND BUSINESS

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2015

Tuesday, February 10, 2015  
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 103, RELATING TO CONTRACTORS.**

TO THE HONORABLE DEREK S.K. KAWAKAMI, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Peter H.M. Lee, Chairperson of the Contractors License Board's ("Board") Legislative Committee. Thank you for the opportunity to testify in opposition of House Bill No. 103, which proposes to raise the "handyman" exemption from \$1,000 to \$5,000.

The Board has not had the opportunity to meet and establish an official position on this bill. However, in the past the Board has opposed similar bills for the following reasons.

The Board believes that raising the exemption will increase the likelihood of consumer harm and contribute to the problem of unlicensed activity. If the exemption is raised to \$5,000, unlicensed individuals who have not met the Board's experience, examination, and insurance requirements will legally be able to perform much more work than is currently allowed. This measure will also negatively impact small contractors, particularly in the specialty contractor classifications, as they will have difficulty competing with unlicensed individuals who do not have to pay license fees and maintain liability insurance. Furthermore, consumers will not be able to file complaints

with the Regulated Industries Complaints Office for poor workmanship or other problems.

For these reasons, the Board is opposed to House Bill No. 103, and requests that it be held. Thank you for the opportunity to testify on this measure.

# Hawai'i Construction Alliance

P.O. Box 179441  
Honolulu, HI 96817  
(808) 348-8885

February 9, 2015

The Honorable Derek S.K. Kawakami, Chair  
The Honorable Sam Satoru Kong, Vice Chair  
and members  
House Committee on Economic Development and Business  
Hawai'i State Legislature  
Honolulu, Hawai'i 96813

Dear Chair Kawakami, Vice Chair Kong, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

The Hawai'i Construction Alliance **opposes HB103**, relating to contractors. The bill proposes to raise the threshold under the contractor licensing law's "handyman exemption" from \$1,000 to \$5,000. We have serious concerns that raising the threshold will increase the number of unlicensed contractors operating within the State of Hawai'i, which may endanger the public.

For home repair projects above approximately \$1,000 in value, there is good reason to use an experienced, licensed contractor. According to DCCA's Regulated Industries Complaints Office ("RICO"):

- "A licensed contractor has the training and experience necessary to obtain a contractor's license. The State of Hawaii's Contractor's License Board has checked into the contractor's background and is satisfied that the person is qualified to hold a contractor's license.
- A licensed contractor has worker's compensation and liability insurance. This protects the homeowner from putting his/her property at risk if anyone is injured on the project or if anything is damaged while the work is being done.
- A licensed contractor is able to obtain and sign building permits.
- Lastly, if anything goes wrong with the home improvement project, the Contractor's Recovery Fund is available to the homeowner only if he/she has hired a licensed contractor."

Mahalo for the opportunity to provide these comments.

Aloha,



Tyler Dos Santos-Tam  
Executive Director  
Hawai'i Construction Alliance  
[excedir@hawaiiiconstructionalliance.org](mailto:excedir@hawaiiiconstructionalliance.org)

# BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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MAILING  
P.O. BOX 970967  
WAIPAHU, HAWAII  
96797-0967

STREET  
94-487 AKOKI STREET,  
WAIPAHU, HAWAII 96797  
P 808.847.4666  
F 808.440.1198  
E INFO@BIAHAWAII.ORG

WWW.BIAHAWAII.ORG

## Testimony to the House Committee on Economic Development & Business

Tuesday, February 10, 2015

9:00 a.m.

State Capitol - Conference Room 312

**LATE**

### RE: HOUSE BILL NO. 103 RELATING TO CONTRACTORS

Chair Kawakami, Vice Chair Kong, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-HAWAII **strongly opposes** H.B. 103, which proposes to raise the current threshold under the contractor licensing law's "handyman exemption" from \$1,000 to \$5,000.

BIA-Hawaii believes that raising the exemption to \$5,000 will increase the likelihood of consumer harm and further contribute to the problem of unlicensed contractor activity. An increase puts homeowners at incredible risk because the "handyman" becomes their employee and they are responsible for their actions during the said work.

Raising the exemption would significantly increase the frequency and scope of work performed by unlicensed individuals. The Contractors License Board's experience, examination, and insurance requirements protect the public from incapable or unqualified individuals, the work of whom may be unsatisfactory or even unsafe.

H.B. 103 will also further negatively impact small contractors as they have difficulty competing with unlicensed individuals who work for cash and, therefore, do not pay general excise taxes, do not pay license fees or maintain liability insurance. Furthermore, consumers will not be able to file complaints with the Regulated Industries Complaints Office for poor workmanship or other problems because handymen are unregistered.

Any raise in the exemption amount can **only** be considered if effective regulation and enforcement of unlicensed contractor activity by the State is strengthened.

Thank you for the opportunity to express our views on this matter.

February 10, 2015

**The Honorable Derek S. K. Kawakami, Chair**  
House Committee on Economic Development & Business  
State Capitol, Room 312  
Honolulu, Hawaii 96813

**LATE**

**RE: H.B. 103, Relating to Contractors**

**HEARING: Tuesday, February 10, 2015, at 9:00 a.m.**

Aloha Chair Kawakami, Vice Chair Kong and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,400 members. HAR **supports** H.B.103, which raises the threshold under the contractor licensing law's "handyman exemption" from \$1,000 to \$5,000.

The "handyman exemption" permits the hiring of a person not licensed as a contractor, if the total cost of the project including labor, materials, taxes, and all other items, is equal to or less than \$1,000.

The purpose of this \$1,000 threshold exemption is to allow the undertaking of minor projects by a paid handyman without the need for a license or a licensed contractor. In theory, this reduces the cost of these minor projects, and in fact many licensed contractors will not even take these smaller jobs. However, the \$1,000 contractual ceiling was last raised in 1992, from \$100 to its present \$1,000, and has not kept pace with the rising cost of living.

Act 195, Session Laws of Hawaii 2009, increased the monetary sanctions for engaging in contracting without the required license in violation of the contractors licensing law (HRS chapter 444). Fines were increased from \$500 to \$2,500 for the first offense and from \$1,000 to \$3,500 for the second offense. Fines for the third tier remained at \$5,000. This represents a five fold increase in the amount of the first offense fine and over a three fold increase in the second offense fine.

This increase in penalties has the potential to unnecessarily hurt persons who should fall under the "handyman" exemption." HRS section 444-2 lists several exemptions from HRS chapter 444, including the so-called handyman exemption, which provides that chapter 444 does not apply to any project or operation for which the aggregate contract price for labor, materials, taxes, and all other items is not more than \$1,000.



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It is necessary to raise the handyman exemption from \$1,000 to \$5,000 for several reasons. First, increasing the exemption threshold brings the exemption more in line with the increased fines imposed by Act 195 and reduces that law's potential impact on handymen. Second, raising the handyman exemption will help realtors, developers, and homeowners reduce the costs of maintaining a home. Third, raising the exemption threshold will improve the economic prospects of handymen in Hawaii. Finally, in nearly all parts of the state, and more so in rural areas, it is nearly impossible to find licensed contractors because the job is either too small or contractors are not available.

HAR believe that the law, as intended in 1992, works at it was supposed to – prohibition from working on structural components, plumbing, electrical work and other safety areas.

HAR has historically supported changes to the handyman exemption through factoring in cost of living, inflation, and other increased labor and material costs associated in basis repairs.

Mahalo for the opportunity to testify in support.

# ***SAH - Subcontractors Association of Hawaii***

***1188 Bishop St., Ste. 1003\*\*Honolulu, Hawaii 96813-2938***

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

February 10, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Tim Lyons, President

Subject: H.B. 103 – RELATING TO CONTRACTORS

**LATE**

Chair Kawakami and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we strongly oppose this bill. The Subcontractors Association represents the following nine separate and distinct contracting associations who have combined their testimony in the interest of saving time and resources.

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

TILE CONTRACTORS PROMOTIONAL PROGRAM

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII

SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII

PAINTING AND DECORATING CONTRACTORS ASSOCIATION

PACIFIC INSULATION CONTRACTORS ASSOCIATION

We find it somewhat ironic that this bill comes before a committee interested in economic development because in our opinion it will only cause the economic downturn of many established although struggling small businesses. Although the construction industry is seen as one industry it is composed of many different niche contractors. Contractors are involved in some large projects, many middle sized projects and small projects.

Those smaller contractors, engaged in primarily homeowner activity have seen the downturn become a reality and are feeling the pinch. It is those very contractors that this bill effects.

It is quite typical in many construction trades that about 50% of the price is associated with labor and about 50% with materials. Handymen who try to be legal just have the homeowner purchase the material and under this bill they can perform \$5000 worth of labor or a \$10,000.00 project.

Now some may say that \$5000 is nothing and dependent on the type of project that may be correct. As an example, \$2000 as part of room addition project is minor but the construction industry is composed of many different subcontractors who very often are engaged just to do one item such as tile a bathroom floor, roof a carport, paint a room, install new living room carpet, put in all new screens, install raingutters and so on. Every item I have just mentioned can be done for under \$5000 in labor and no building permit is required.

The problem is that this bill allows two separate and distinct sectors to go after the same work. One is regulated and the other is not. Because there are direct costs associated with regulation it creates

a very unlevel playing field for the regulated side of the business. In these times, when competition is fierce, we feel that this is hardly the time for government to interfere and tip the scales to one side.

The individuals that perform the work under \$1000 are most commonly referred to as handymen and there is no regulatory structure or benefits of regulation for the consumer who deals with these individuals. The current law allows those who perform work under \$1000 to run under the radar. It is unfortunate that we have never, ever heard of a case where a handyman turned down a job because it came in at over \$1000. It just doesn't happen with over \$1000 jobs and it would not happen with jobs over \$2000 or even \$5000. Contrary to that, the legislature has already determined that those in the construction industry require regulation in order to protect the public.

What is it about the consumers who deal with these individuals that make them any less deserving of protection than those who engage a contractor for \$1500 or \$2500? Why should those homeowners be unknowingly exposed to lawsuits from injured employees of the handyman; why should the contractor not have to tell the consumer of their rights before engaging handyman services and, why do they not deserve the benefit of a mandatory written contract to avoid disputes just like when they deal with a licensed contractor for a \$2000 job?

The subject matter of this bill has generally been prompted by some who say they have a hard time finding a contractor. We don't doubt that to be true however, the solution is not to simply allow a bunch of individuals for which there is no real recourse to pound on consumer homes and "rip them off".

In short, this bill might have good intentions but we think everyone in this room would be hard pressed to explain to a consumer why there is nothing that can be done about the individual who took their \$4,999.00 or \$2,499.00 and ran because they have no license, no proof of insurance, no permanent address and they are not eligible for access to the Contractors Recovery Fund which would normally be there to protect them.

Based on the above, we cannot support any increase in the license exemption.

Thank you.

**LATE**

# DAVID'S

*Custom Roofing & Painting, Inc.*

License No. BC-19703  
96-1217 Waihona Street, 2<sup>nd</sup> Floor Pearl City, Hawaii 96782-1977  
Phone: 833-1633 Fax: 833-1827  
**"Once A Customer, Always A Friend!"**

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## FACSIMILE TRANSMITTAL COVER SHEET

February 9, 2015

Transmitted To: House Committee on                      Fax No. : (808) 586-8459  
Economic Development &  
Business  
Attention: Derek S.K. Kawakami

Number Of Pages: 3 (Including Cover Letter)

If There Are Any Questions, Please Feel Free To Call : Davelyn at (808) 277-3227

Re: H.B. 103 - Relating to Contractors

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# Tom Rooting & I

96-1217 WAINONA STREET, 2<sup>ND</sup> FLO

PEARL CITY, HAWAII 96782-1977

PHONE: 833-1633, FAX: 833-1827

Be A Customer, Always A F

\$5,000.00 is a lot of money, and I can re-roof a garage or small roof for that cost. I could paint an entire home, I could remodel a room, I could re-do someone's flooring. There is a lot that can be done for \$5,000.00 and if the limit is raised, this means handymen will be taking jobs away from contractors and have not been properly trained or licensed to do the work. Again the fairness is not there, this will hurt the construction industry by stealing jobs from those contractors who have spent the time and the money to get properly licensed and insured and to maintain that good standing. Big jobs are not always available and that means we are bidding on smaller projects. If handymen are now a part of that pool, there is no way we as contractors can compete with their pricing.

I am involved in jobs of all sizes, from a couple hundred dollars to hundreds of thousands of dollars and I am able to accommodate these jobs in a timely manner. If I cannot accommodate these jobs I have licensed/insured subcontractors who can complete the work in a timely manner. Because of these reasons, I do not see the validity of raising the handy man limit to \$5,000.00 when there are more than enough licensed contractors to perform the work. I am especially against this since this raise in cost means stealing jobs from those of us who have paid our dues year after to year to maintain our good standing. I highly oppose this bill.

Thank you and feel free to contact me should you need further testimony at (808) 833-1633.

Very Respectfully,

A handwritten signature in black ink, appearing to be 'Davelyn Leong', with a stylized, cursive script.

Davelyn Leong, President

David's Custom Roofing & Painting, Inc.



kong2 - Brenden

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From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, February 07, 2015 6:21 PM  
To: edbtestimony  
Cc: lkakatsu@hawaii.rr.com  
Subject: Submitted testimony for HB103 on Feb 10, 2015 09:00AM

**HB103**

Submitted on: 2/7/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Murakami-Akatsuka	Individual	Support	No

Comments: I strongly support the passage of HB 103 to raise the threshold under the contractor's licensing law's "handyman exemption" from \$1000 to \$5000. Thank you very much for allowing me to submit this testimony.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

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Julie Akin Flooring Contractor  
Hawaii License # 33376  
808-462-8095

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February 9, 2015

H.B. 103 Relating to unlicensed contractors

Committee on Economic Development and Business  
Rep. Isaac Choy of Monoa, Chair



February 10, 2015 at 9am

Aloha,

I am Julie Akin a licensed contractor on Oahu. I oppose increasing the amount an unlicensed layman can do a job for. Unlicensed laymen performing work that requires knowledge of state laws and business laws and the national standards of workmanship should not be allowed to perform work over \$1000; as the current Hawaii law states. Licensed contractors keep informed of all local laws and keep up to date on all national standards of their field.

Allowing unlicensed laymen to perform any job requiring a license in the state of Hawaii puts homeowners at risk of financial burden. Unlicensed laymen have nothing to lose if they do not perform a quality job. There is no recourse for a home owner to take against them.

I believe \$1000 is too high at this time. \$5000 would be a huge loss for a homeowner in the state of Hawaii should a laymen passing as a contractor perform unsafe alterations to a persons home. It would not just be the \$5000 initial cost but all the cost that goes into fixing the problem created.

Thank you for your consideration,

Julie Akin

P.S. The Contractors Board is here to protect homeowners. Laymen have nothing to offer homeowners.

kong2 - Brenden

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 10, 2015 5:33 AM  
To: edbtestimony  
Cc: info@backyardmonkey.com  
Subject: Submitted testimony for HB103 on Feb 10, 2015 09:00AM

**HB103**

Submitted on: 2/10/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

**LATE**

Submitted By	Organization	Testifier Position	Present at Hearing
Alden Justin Barrios	Backyard Monkey LLC	Oppose	No

Comments: Raising the exemption to \$5,000 will increase the likelihood of consumer harm and further contribute to the problem of unlicensed contractor activity. H.B. 103 will negatively impact small contractors as they have difficulty competing with unlicensed individuals who work for cash and, therefore, do not pay general excise taxes, do not pay license fees or maintain liability insurance. Furthermore, consumers are unable to file complaints with the Regulated Industries Complaints Office for poor workmanship or other problems because handymen are unregistered.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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ROOFING & WATERPROOFING, INC.

LIC. #BC-8576

February 9, 2015

**RE: Public Hearing: Tuesday, 2/10/15, 9:00 A.M.  
Bill No.: H.B. No. 103, Relating to Contractors  
House Economic Development and Business Committee**

**LATE**

I am Mike Tory, Vice President of Tory's Roofing & Waterproofing, Inc. and I strongly oppose House Bill number 103 which seeks to increase the "handyman exemption" from \$1,000 to \$5,000.00. Beyond affecting our income, I feel this increase will adversely affect the consumer that it is meant to assist.

A "licensed contractor" is required to carry insurances meant to protect the customer, Worker's Compensation, in case of an injury to a worker and/or General Liability insurance, which protects the consumer in case of damages to property. A "handyman" would not carry these types of insurance and if there is an injury or damage, a claim will be filed with the consumer's homeowner's insurance policy and may result in increases in their insurance rates in the future. Most homeowners are not aware of this risk that they are exposing themselves to.

A "licensed contractor" has shown knowledge in the area of work they are performing. The "licensed contractor" has shown a history of experience necessary to perform the work required to a board of professionals. A "handyman" may have learned their craft from "You Tube" videos and may not have ever done a roofing project before, but may have "helped" on one project before, and feels his is qualified to roof someone's home. I do not think most homeowners would like to be the "first" project that this "handyman" has done of that type.

A "licensed contractor" normally is a member of associations and organizations to stay current on new techniques and materials. These organizations can also act as a third party review if there are discrepancies between the homeowner and the contractor.

A "license contractor", as part of their license renewals, contributes to a contractor's recovery fund, which protects consumers if they are damaged by a "license contractor". A "handyman" may not respond if there are problems with his/her work.

A consumer has an opportunity for complaints with a "licensed contractor" with the Contractor's License Board, if they feel that work was not done in an acceptable manner or not completed at all.


Page 2

RE: Public Hearing: Tuesday, 2/10/15, 9:00 A.M.  
Bill No: H.B. No. 103, Relating to Contractors  
House Economic Development and Business Committee

There are many costs that are added to a project that the consumer may not see or understand, including Insurance and Bonding. Many consumers that pay \$1,000.00 to an unlicensed "handyman" may be able to afford to lose that money if the work is not done properly or completed entirely, but if the amount is raised to \$5,000.00 this may affect negatively consumers financially.

For the reasons listed above, I would be strongly opposed to increasing the limit for the "handyman exemption" from \$1,000.00 to \$5,000.00. Thank you for your consideration of my testimony and feel free to contact me if there is anything further I can contribute.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Tory", with a stylized flourish at the end.

Michael W. Tory  
Vice President



## HAWAII ISLAND CONTRACTORS' ASSOCIATION

494-C Kalanikoa Street \* Hilo, Hawaii 96720 \* Phone: 808/935-1316 \* Fax: 808/934-7779 \* Email: [hical@hawaiiantel.net](mailto:hical@hawaiiantel.net)

*"Building Bridges to Opportunity"*

Testimony to the House Committee on  
Economic Development & Business  
Tuesday February 10, 2015, 9:00 a.m.  
House Conference Room 312

**LATE**

### RE: HB 103 RELATING TO CONTRACTORS

Dear Chair Kawakami, Vice-Chair Kong, and members of the Committee,

The Hawaii Island Contractors Association **OPPOSES H.B. 103** which proposes to raise the threshold under the contractors licensing law's "handyman exemption" from \$1000 to \$5,000 and respectfully urges you to **not recommend passage** of H.B. 103.

The Hawaii Island Contractors Association was established in 1961, and is comprised of over 150 licensed contractors, subcontractors and construction related firms. Our association's core purposes include protecting and preserving the contracting industry, maintaining its professional standards, promoting fair and cooperative relationships, preserving competition between those engaged in the contracting industry and seeking correction of any unfair or discriminatory business methods and practices.

Raising the exemption to \$5,000 will increase the likelihood of consumer harm and further contribute to the problem of unlicensed contractor activity.

H.B.103 will negatively impact small contractors as they have difficulty competing with unlicensed individuals who work for cash, and therefore, do not pay general excise taxes, do not pay license fees or maintain liability insurance.

Furthermore, consumers are unable to file complaints with the Regulated Industries Complaint Office for poor workmanship or other problems because handymen are unregistered and unregulated.

For the preceding reasons, The Hawaii Island Contractors' Association **opposes H.B 103**, and respectfully requests that your committee do the same.

Respectfully Submitted,

Carolyn Loeffler-President



## Kalama Evans Construction, LLC

614 Kilauea Avenue, Suite 103 Hilo, HI 96720

Ofc 935-5225 • Fax 935-5226 • Cell 443.9299

License# BC 28108 • 28109 • 33072

February 5, 2015

**LATE**

### STRONG SUPPORT FOR REPEAL OF SECTION 103-55.6

**Regarding:** HB517 Repealing section 103-55.6, Hawaii Revised Statutes, the provision requiring a procurement preference to bidder in a public works construction contract of not less than \$250,000, if the bidder is a party to an apprenticeship agreement registered with the department of labor and Industrial relations for each apprenticeable trade the bidder will employ to construct the Public Works.

Kalama Evans Construction, LLC **strongly supports the repeal of Section 103-55.6** because it is unconstitutional and there is a huge disadvantage to outer-island businesses by not providing the programs. Small construction businesses like ours struggle to compete by not having the resources available to us.

Please consider this testimony and we thank you for your time.

Regards,

Tuesday Evans  
Licensed General Contractor  
33072  
808.443.9299

Visit our website at [www.kalamaevans.com](http://www.kalamaevans.com) or email us at [tuesdayevans@gmail.com](mailto:tuesdayevans@gmail.com)





All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Attention House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

From: Dan Lopez Vice.President,  
All Weather Surfaces Building Product Distribution

**LATE**

Subject: H.B. 103-Relating to Contractors

To Chari Kawakami and Members of the Committee:

I am respectfully writing this letter to express my strong opposition to HB 103 and what it entails. My background is building development which has lead me to build thousands of homes over my lifetime, and I can express to the fact the homes are built with skilled licensed contractors, which are also insured and bonded which is a driving component of any economy. Also homes and businesses are built with difficult designs and under inspection by county certified inspectors and should be repaired or upgraded with experienced licensed contractors who have pulled and paid for permits.

This bill will in fact hurt the very people who drive this industry in the sense of contractors who are doing exactly what they are supposed to which is getting licensed, bonded, and insured. They will not be able to compete with those who are not held to the same standard and are paying the same fees as licensed contractors. Which has a profound effect on pulling permits which affects the county. I ask as a tax paying citizen who has been in the building industry since 1988 that this bill not be allowed to pass. You can contact me anytime you wish.

Respectfully,

Dan Lopez VP  
All Weather Surfaces  
808-384-9313  
[dan@whitelava.com](mailto:dan@whitelava.com)





All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 10, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Gavin Abe, Employee

Subject: H.B. 103 - RELATING TO CONTRACTORS

Dear Chair Kawakami and Members of the Committee:

I am Gavin Abe, employee at All Weather Surfaces of Hawaii and I strongly oppose of this bill along with my fellow employees. In my opinion this bill will only hurt licensed contractors and consumers who deal with handymen.

The law already allows handymen to perform work under \$1000 and everyone knows a handyman wouldn't turn down a job if it came in even over \$1000. So you already know some handymen are breaking the law and they will continue to do more so if the bill is passed and that hurts consumers who are going to pay these handymen even more money and still not be eligible for the Contractors Recovery Fund which is usually there to protect them.

On the other hand this bill also affects licensed contractors because if it is passed then licensed contractors now will have to go up against handymen for the same work. This especially will hurt many small business licensed contractors who survive off middle sized and small projects because handymen will be able to do these projects also.

We cannot support this bill of the increase in the license exemption.

Thank you for allowing to us to share our opinions.

A handwritten signature in black ink, appearing to read 'Gavin Abe'.



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Kiniokalani Henderson , All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Dear Chari Kawakami and Members of the Committee:

I am writing this letter on behalf that I strongly oppose this bill that has been presented. It is my belief that this bill is going to cause an economic downturn of established small businesses. The contractors who's primary basis of work are homeowner activities will be effective the most. A lot of these contractors have put in the time and effort to obtain their license. The problem is that this bill allows two state sectors to go after the same work. One that is licensed and the other that is not. With the contractor who is regulated, they are at a disadvantage because of the costs associated with these regulations.

Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kiniokalani Henderson', written over a horizontal line.

Kiniokalani Henderson  
All Weather Surfaces  
808-487-3043



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Ian Oravainen, All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Chari Kawakami and Members of the Committee:

I am writing this letter to let u know that I strongly oppose this bill. It is my belief that this bill is going to cause an economic downturn of established small businesses. The contractors who's primary basis of work are homeowner activities will be effective the most. A lot of these contractors have put in the time and effort to obtain their license. The problem is that this bill allows two state sectors to go after the same work. One that is licensed and the other that is not. With the contractor who is regulated, they are at a disadvantage because of the costs associated with these regulations.

Please feel free to contact me with any questions you may have.

Sincerely, 

Ian Oravainen  
All Weather Surfaces  
808-487-3043  
ian@whitelava.com



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Aaron Espiritu, All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Chari Kawakami and Members of the Committee:

I'm writing to let you know that I oppose this bill. I believe that this bill is going to cause a downturn of many small business contractors. The contractors who base their work off of homeowner activities. The problem is that this bill allows two separate contractors (Licensed & Non-Licensed contractor) to go after the same work. With the contractor who is licensed, they are at a disadvantage because of the costs associated with these regulations.

Please feel free to contact me with any questions you may have.

Sincerely,

Aaron Espiritu  
All Weather Surfaces  
808-542-5879  
[erik@whitelava.com](mailto:erik@whitelava.com)

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Erik Christensen, All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Chari Kawakami and Members of the Committee:

I am writing to let you know that I oppose this bill. It is my belief that this bill will cause an economic downturn of many established small business contractors. The contractors who's primary basis of work are homeowner activities will be effective the most. The problem is that this bill allows two spate sectors to go afer the same work. One that is regulated and the other that is not. With the contractor who is regulated, they are at a disadvantage because of the costs associated with these regulations. This bill will only allow further contractors who under the current state of license regulations aren't fully licensed to gain an upper hand against those who are.

Passing this bill will just increase the amount of who aren't licensed to go after work against those who are.

Please feel free to contact me with any questions you may have.

Sincerely,

Erik Christensen  
All Weather Surfaces  
808-542-5879  
[erik@whitelava.com](mailto:erik@whitelava.com)

A handwritten signature in black ink, appearing to be 'Erik Christensen', written over a horizontal line.

kong2 - Brenden

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From: mailinglist@capitol.hawaii.gov  
Sent: Monday, February 09, 2015 5:30 PM  
To: edbtestimony  
Cc: jmas808@gmail.com  
Subject: \*Submitted testimony for HB103 on Feb 10, 2015 09:00AM\*

**LATE**

**HB103**

Submitted on: 2/9/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Masatsugu	Carpet Linoleum and Soft Tile Local Union 1926 Market Recovery Fund	Oppose	No

**Comments:**

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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kong2 - Brenden

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Sent: Monday, February 09, 2015 5:28 PM  
To: edbtestimony  
Cc: jmas808@gmail.com  
Subject: \*Submitted testimony for HB103 on Feb 10, 2015 09:00AM\*

**LATE**

**HB103**

Submitted on: 2/9/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Masatsugu	Hawaii Glaziers Architectural Glassworkers Local Union 1889 AFL- CIO Stabilization Fund	Oppose	No

Comments:

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kong2 - Brenden

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Sent: Monday, February 09, 2015 5:26 PM  
To: edbtestimony  
Cc: jmas808@gmail.com  
Subject: \*Submitted testimony for HB103 on Feb 10, 2015 09:00AM\*

**LATE**

**HB103**

Submitted on: 2/9/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Masatsugu	Hawaii Tapers Market Recovery Fund	Oppose	No

**Comments:**

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kong2 - Brenden

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Sent: Monday, February 09, 2015 5:27 PM  
To: edbtestimony  
Cc: jmas808@gmail.com  
Subject: \*Submitted testimony for HB103 on Feb 10, 2015 09:00AM\*

**HB103**

Submitted on: 2/9/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

**LATE**

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Masatsugu	Painting Industry of Hawaii Labor Management Cooperation Fund	Oppose	No

**Comments:**

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## Testimony of Gerald Peters in Opposition

Feb. 9, 2015 Room 312 9 am HB103 Relating to Contractors  
Committee on Economic Development & Business; Rep. Derek S.K. Kawakami, Chair;  
Rep. Sam Satoru Kong, Vice Chair

Honorable Chair and Vice Chair and Members of the Committee:

I am Content Producer and Co-Host . 502 live, one hour, news shows about the home improvement industry: Fixit Fridays Home Improvement on The Mike Buck Show, Salem Communications, KHNR AM 690 (2004-present); President/Gen Mgr HPS Construction Services, Ltd./HPS Services, Inc. I am testifying in strong opposition.

This proposal will:

- Ruin the State's Licensed Contractor system;
- Endanger the financial security and household safety of homeowners, in particular kupuna, who are being victimized every day as it is;
- Probably cost the state \$30 million in tax revenues yearly by allowing this segment of the underground, black market-- so called %repair+business- non reported cash economy -- to increase by 500%.
- NOT increase economic activity, and thus tax revenues.

The assumption in the bill's narrative that there are not enough licensed contractors and thus people have to wait six months is not true, and not based upon fact. At the recent Building Industry Association of Hawaii annual home show at Blaisdell, there were over 126 exhibitors, a great percentage licensed contractors.

We licensed contractors all need business all the time. We at HPS have pioneered the Licensed Handyman Services sector specifically to address the cry from the public for regulated, trustworthy, price competitive contractors for their work. Contractors CAN produce low prices competitive with non capable, shady handymen types by gearing up and understanding marginal cost improvement strategy. To approve this bill can only mean a disincentive for playing by the rules, which, do, in fact, protect the public.

Please do not fool yourselves, or be led to believe there is any public benefit in this proposed legislation. It is without doubt, exactly the opposite, and your committee will be known as one reason tax revenues fell, and kupuna cried.

Think again. Hold this bill. Thank you,

# PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



PLUMBING AND MECHANICAL  
CONTRACTORS ASSOCIATION  
OF HAWAII

TELEPHONE: (808) 597-1216

FAX: (808) 597-1409

1314 S. King Street, Suite 961

Honolulu, Hawaii 96814

**GREGG S. SERIKAKU**  
EXECUTIVE DIRECTOR

Via Email

February 9, 2015

Representative Derek S.K. Kawakami, Chair  
Committee on Economic Development and Business  
House of Representatives  
The Twenty-Eighth Legislature, Regular Session of 2015  
State Capitol  
Honolulu, HI 96813

**LATE**

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

**SUBJECT: H.B. 103 Relating to Contractors**

My name is Gregg Serikaku. I am the Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii.

The Association for which I speak is strongly opposed to H.B. 103.

We firmly believe that increasing the cost of the “handyman” exemption from \$1,000 to \$5,000 will further increase the harmful effects of unlicensed contracting. Currently, individuals who perform such “handyman” work do not have to obtain a contractors license to solicit and contract for such work, and this directly increases the risk to the general public by escalating the exposure level for unsuspecting consumers. Unfortunately many citizens don’t realize that hiring an unlicensed handyman opens them to a variety of problems such as personal liability should an injury occur on their property, limited recourse options if a project is not completed as promised, and virtually no assurance of a handyman’s skill, other than the handyman’s “word”.

Conversely, legitimate contractors who are licensed under the Hawaii contractors licensing statute (Chapter 444), must provide the consumer with numerous safeguards such as written contracts, proof of compliance with strict insurance and bonding requirements, certain disclosure notices, and the ability for consumer recourse under the Contractors Recovery Fund. Furthermore, licensing assures that the contractor has the necessary technical skills and experience to perform the work covered by their license. Finally, licensed contractors are listed on the DCCA website, and the public has the ability to research a contractor’s complaint history, licenses, insurance, etc., none of which is available for the handyman.

Another harmful effect of the handyman exemption is that many of these unlicensed handymen perform their work “under the radar” on a cash basis which deprives the State of Hawaii from collecting the requisite general excise taxes as well as income taxes from these transactions. In fact, the underground cash economy is estimated to cost the State millions in lost tax revenues each year. This is counter-productive to economic development and business and efforts should be made to reduce, not increase, the probability of such situations.

Therefore, we respectfully request that this Committee consider lowering the handyman exemption threshold from \$1,000 to \$500, and further request that an annual limit be placed on the total amount of handyman work that can be performed by any individual. We also believe that any person who contracts and performs handyman work should be duly registered with the appropriate State agency and included in a statewide database created to track these individuals. Lastly the handyman should be required to give a written and signed disclosure to each customer stating that they are not a licensed contractor under HRS 444.

Thank you very much for this opportunity to testify.

Respectfully yours,

A handwritten signature in cursive script, reading "Gregg S. Serikaku".

Gregg S. Serikaku  
Executive Director

**kong3**

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 10, 2015 8:18 AM  
**To:** edbtestimony  
**Cc:** honualandscaping@yahoo.com  
**Subject:** Submitted testimony for HB103 on Feb 10, 2015 09:00AM

**HB103**

Submitted on: 2/10/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

**LATE**

Submitted By	Organization	Testifier Position	Present at Hearing
Earl Yempuku	Individual	Oppose	No

Comments: This bill would be detrimental to all legitimate licensed contractor's who currently "play by the rules" regarding taxes and insurance. We are already struggling to survive in this economy as it is. This would also make it easier for under the table and unscrupulous business to rip off the consumer as there is no recourse from the state to recover damages from unlicensed contractors. Please do not pass this bill and instead do something about increasing enforcement of existing laws against unlicensed contractors.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Attention House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

From: Dan Lopez Vice.President,  
All Weather Surfaces Building Product Distribution

**LATE**

Subject: H.B. 103-Relating to Contractors

To Chari Kawakami and Members of the Committee:

I am respectfully writing this letter to express my strong opposition to HB 103 and what it entails. My background is building development which has lead me to build thousands of homes over my lifetime, and I can express to the fact the homes are built with skilled licensed contractors, which are also insured and bonded which is a driving component of any economy. Also homes and businesses are built with difficult designs and under inspection by county certified inspectors and should be repaired or upgraded with experienced licensed contractors who have pulled and paid for permits.

This bill will in fact hurt the very people who drive this industry in the sense of contractors who are doing exactly what they are supposed to which is getting licensed, bonded, and insured. They will not be able to compete with those who are not held to the same standard and are paying the same fees as licensed contractors. Which has a profound effect on pulling permits which affects the county. I ask as a tax paying citizen who has been in the building industry since 1988 that this bill not be allowed to pass. You can contact me anytime you wish.

Respectfully,

Dan Lopez VP  
All Weather Surfaces  
808-384-9313  
[dan@whitelava.com](mailto:dan@whitelava.com)



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 10, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Gavin Abe, Employee

Subject: H.B. 103 - RELATING TO CONTRACTORS

Dear Chair Kawakami and Members of the Committee:

I am Gavin Abe, employee at All Weather Surfaces of Hawaii and I strongly oppose of this bill along with my fellow employees. In my opinion this bill will only hurt licensed contractors and consumers who deal with handymen.

The law already allows handymen to perform work under \$1000 and everyone knows a handyman wouldn't turn down a job if it came in even over \$1000. So you already know some handymen are breaking the law and they will continue to do more so if the bill is passed and that hurts consumers who are going to pay these handymen even more money and still not be eligible for the Contractors Recovery Fund which is usually there to protect them.

On the other hand this bill also affects licensed contractors because if it is passed then licensed contractors now will have to go up against handymen for the same work. This especially will hurt many small business licensed contractors who survive off middle sized and small projects because handymen will be able to do these projects also.

We cannot support this bill of the increase in the license exemption.

Thank you for allowing to us to share our opinions.

A handwritten signature in black ink, appearing to read 'Gavin Abe', written over a horizontal line.



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Kiniokalani Henderson , All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Dear Chari Kawakami and Members of the Committee:

I am writing this letter on behalf that I strongly oppose this bill that has been presented. It is my belief that this bill is going to cause an economic downturn of established small businesses. The contractors who's primary basis of work are homeowner activities will be effective the most. A lot of these contractors have put in the time and effort to obtain their license. The problem is that this bill allows two state sectors to go after the same work. One that is licensed and the other that is not. With the contractor who is regulated, they are at a disadvantage because of the costs associated with these regulations.

Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kiniokalani Henderson', written over a horizontal line.

Kiniokalani Henderson  
All Weather Surfaces  
808-487-3043





All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Ian Oravainen, All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Chari Kawakami and Members of the Committee:

I am writing this letter to let u know that I strongly oppose this bill. It is my belief that this bill is going to cause an economic downturn of established small businesses. The contractors who's primary basis of work are homeowner activities will be effective the most. A lot of these contractors have put in the time and effort to obtain their license. The problem is that this bill allows two state sectors to go after the same work. One that is licensed and the other that is not. With the contractor who is regulated, they are at a disadvantage because of the costs associated with these regulations.

Please feel free to contact me with any questions you may have.

Sincerely, 

Ian Oravainen  
All Weather Surfaces  
808-487-3043  
ian@whitelava.com



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Aaron Espiritu, All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Chari Kawakami and Members of the Committee:

I'm writing to let you know that I oppose this bill. I believe that this bill is going to cause a downturn of many small business contractors. The contractors who base their work off of homeowner activities. The problem is that this bill allows two separate contractors (Licensed & Non-Licensed contractor) to go after the same work. With the contractor who is licensed, they are at a disadvantage because of the costs associated with these regulations.

Please feel free to contact me with any questions you may have.

Sincerely,

Aaron Espiritu  
All Weather Surfaces  
808-542-5879  
[erik@whitelava.com](mailto:erik@whitelava.com)

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke extending to the right.



All Weather Surfaces Hawaii, LLC.  
99-890 Iwaena St  
Aiea, HI 96701



February 9, 2015

Testimony To: House Committee on Economic Development & Business  
Representative Derek S.K. Kawakami

Presented By: Erik Christensen, All Weather Surfaces

Subject: H.B. 103-Relating to Contractors

Chari Kawakami and Members of the Committee:

I am writing to let you know that I oppose this bill. It is my belief that this bill will cause an economic downturn of many established small business contractors. The contractors who's primary basis of work are homeowner activities will be effective the most. The problem is that this bill allows two spate sectors to go afer the same work. One that is regulated and the other that is not. With the contractor who is regulated, they are at a disadvantage because of the costs associated with these regulations. This bill will only allow further contractors who under the current state of license regulations aren't fully licensed to gain an upper hand against those who are.

Passing this bill will just increase the amount of who aren't licensed to go after work against those who are.

Please feel free to contact me with any questions you may have.

Sincerely,

Erik Christensen  
All Weather Surfaces  
808-542-5879  
[erik@whitelava.com](mailto:erik@whitelava.com)

A handwritten signature in black ink, appearing to be 'Erik Christensen', written over a light gray horizontal line.



ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

NECA Hawai'i Chapter

1286 Kalani Street, Suite B-203

Honolulu, Hawai'i 96817

PH: (808) 847-7306

FX: (808) 841-8096

Email: [ecah@ecahi.com](mailto:ecah@ecahi.com)

**LATE**



February 10, 2015

To: House Committee on Economic Development & Business  
The Honorable Representatives Derek S.K. Kawakami and Sam Satoru Kong, Chairs

From: Al Itamoto, Executive Director  
Electrical Contractors Association of Hawaii  
National Electrical Contractors Association, Hawaii Chapter

Subject: HB 103 Relating to Contractors

Notice of Hearing

Date: Tuesday, February 10, 2014  
Time: 9:00 AM  
Place: House Conference Room 312  
State Capitol  
415 South Beretania Street

Dear Chairs Kawakami, Kong & Committee members:

The Electrical Contractors Association of Hawaii (ECAH) is a non-profit association consisting of electrical contractors doing business in the State of Hawaii. ECAH is the Hawaii Chapter of the National Electrical Contractors Association (NECA). ECAH **strongly opposes** the intent and purpose of HB 103.

This bill essentially raises the threshold for jobs requiring a contractor's license from the current \$1,000 to \$5,000. While we understand that repair costs are increasing, that in itself does not justify the need to increase the handyman's threshold. Currently, handymen do not incur expenses that licensed contractors do. Contractors have license fees and insurance requirements to be in compliance with contractors' rules and laws. In addition, handymen do not pay into the contractors' recovery fund for consumer protection. Most handyman work without a written contract or disclose lien rights to their clients, nor do they disclose their subcontractors or give an estimated completion date. In effect, there are no assurances that the consumer is protected and raising the threshold only increases the amount of work that will be unprotected to the detriment of the consumer. The solution to proponents of this bill should be to require handymen to obtain the proper contractor's license in the work they are performing over and above the current \$1,000 threshold.

Based on the above, ECAH **strongly opposes** the passage of HB 103 and urge the committee to stop this bill from moving forward.

Thank you for the opportunity to provide testimony on this issue.



**International Union of Painters and Allied Trades  
District Council 50**



2240 Young Street  
Honolulu, HI 96826

Phone

808.941.0991

Fax

808.955.9091

Email

info@dc50.org

Website

www.dc50.org

PAINTERS

808.941.0991

GLAZIERS

ARCHITECTURAL  
AND GLASS METAL  
WORKERS

808.946.3329

CARPET LINOLEUM  
AND SOFT TILE

808.942.3988

DRYWALL TAPERS  
FINISHERS

808.848.7766

**TO THE HOUSE COMMITTEE ON  
ECONOMIC DEVELOPMENT & BUSINESS  
TWENTY-EIGHTH LEGISLATURES  
REGULAR SESSION OF 2015**

**TIME/DATE: 9:00 A.M. – Tuesday, February 10, 2015**

**TESTIMONY IN OPPOSITION TO HOUSE BILL NO. 103 – “RELATING TO CONTRACTORS.”**

**TO CHAIR KAWAKAMI AND MEMBERS OF THE HOUSE  
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS:**

The International Union of Painters and Allied Trades, District Council 50 (DC50), appreciates the opportunity to testify in support of House Bill No. 103 – “RELATING TO CONTRAATORS.” My name is Lorna Woo, Director of Government Affairs, District Council 50. DC50 is an organization that represents five (5) unions, the Painters, Local Union 1791; the Glaziers Architectural and Glass Metal Workers, Local Union 1889; the Carpet Linoleum and Soft Tile, Local Union 1926; the Drywall, Tapers Finishers, Local Union 1944 and the Pearl Harbor Metal Trades Specialty Workers, Local Union 1944 – approximately 2000 members statewide.

DC50 is in strong opposition to House Bill No. 103. The “handyman” exemption currently exempts projects over \$1,000, including labor, material and taxes from the use of a licensed contractor. H.B. 103, proposes to increase the aggregate amount from \$1,000 to \$5,000. We believe that by increasing the threshold amount, this would pose a public health and general safety risk. These “handymen” are unlicensed contractors performing work for the public who seldom deal with contractors. The average consumer does not know the importance of hiring a highly-skilled, well-trained, and certified licensed contractors; and the legal benefits

and protection they are entitled to under the law. Consumers in the past have been misled and deceived by these unlicensed contractors and have lost large sums of money and time which have resulted in poor work quality and craftsmanship on various projects.

For these reasons, we strongly urge the committee to reject the proposals in H.B. 103.

Thank you again for the opportunity to testify in opposition to this measure.



## Kalama Evans Construction, LLC

614 Kilauea Avenue, Suite 103 Hilo, HI 96720

Ofc 935-5225 • Fax 935-5226 • Cell 443.9299

License# BC 28108 • 28109 • 33072

February 5, 2015



### STRONG SUPPORT FOR REPEAL OF SECTION 103-55.6

**Regarding:** HB517 Repealing section 103-55.6, Hawaii Revised Statutes, the provision requiring a procurement preference to bidder in a public works construction contract of not less than \$250,000, if the bidder is a party to an apprenticeship agreement registered with the department of labor and Industrial relations for each apprenticeable trade the bidder will employ to construct the Public Works.

Kalama Evans Construction, LLC **strongly supports the repeal of Section 103-55.6** because it is unconstitutional and there is a huge disadvantage to outer-island businesses by not providing the programs. Small construction businesses like ours struggle to compete by not having the resources available to us.

Please consider this testimony and we thank you for your time.

Regards,

Tuesday Evans  
Licensed General Contractor  
33072  
808.443.9299

Visit our website at [www.kalamaevans.com](http://www.kalamaevans.com) or email us at [tuesdayevans@gmail.com](mailto:tuesdayevans@gmail.com)

**kong3**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 10, 2015 8:18 AM  
**To:** edbtestimony  
**Cc:** honualandscaping@yahoo.com  
**Subject:** Submitted testimony for HB103 on Feb 10, 2015 09:00AM

**HB103**

Submitted on: 2/10/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312



Submitted By	Organization	Testifier Position	Present at Hearing
Earl Yempuku	Individual	Oppose	No

Comments: This bill would be detrimental to all legitimate licensed contractor's who currently "play by the rules" regarding taxes and insurance. We are already struggling to survive in this economy as it is. This would also make it easier for under the table and unscrupulous business to rip off the consumer as there is no recourse from the state to recover damages from unlicensed contractors. Please do not pass this bill and instead do something about increasing enforcement of existing laws against unlicensed contractors.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**L A T E**



ROOFING &amp; WATERPROOFING, INC.

**LATE**

LIC. #BC-8576

February 9, 2015

**RE: Public Hearing: Tuesday, 2/10/15, 9:00 A.M.**  
**Bill No.: H.B. No. 103, Relating to Contractors**  
**House Economic Development and Business Committee**

I am Mike Tory, Vice President of Tory's Roofing & Waterproofing, Inc. and I strongly oppose House Bill number 103 which seeks to increase the "handyman exemption" from \$1,000 to \$5,000.00. Beyond affecting our income, I feel this increase will adversely affect the consumer that it is meant to assist.

A "licensed contractor" is required to carry insurances meant to protect the customer, Worker's Compensation, in case of an injury to a worker and/or General Liability Insurance, which protects the consumer in case of damages to property. A "handyman" would not carry these types of insurance and if there is an injury or damage, a claim will be filed with the consumer's homeowner's insurance policy and may result in increases in their insurance rates in the future. Most homeowners are not aware of this risk that they are exposing themselves to.

A "licensed contractor" has shown knowledge in the area of work they are performing. The "licensed contractor" has shown a history of experience necessary to perform the work required to a board of professionals. A "handyman" may have learned their craft from "You Tube" videos and may not have ever done a roofing project before, but may have "helped" on one project before, and feels his is qualified to roof someone's home. I do not think most homeowners would like to be the "first" project that this "handyman" has done of that type.

A "licensed contractor" normally is a member of associations and organizations to stay current on new techniques and materials. These organizations can also act as a third party review if there are discrepancies between the homeowner and the contractor.

A "license contractor", as part of their license renewals, contributes to a contractor's recovery fund, which protects consumers if they are damaged by a "license contractor". A "handyman" may not respond if there are problems with his/her work.

A consumer has an opportunity for complaints with a "licensed contractor" with the Contractor's License Board, if they feel that work was not done in an acceptable manner or not completed at all.

**LATE**

Page 2

RE: Public Hearing; Tuesday, 2/10/15, 9:00 A.M.  
Bill No: H.B. No. 103, Relating to Contractors  
House Economic Development and Business Committee

There are many costs that are added to a project that the consumer may not see or understand, including Insurance and Bonding. Many consumers that pay \$1,000.00 to an unlicensed "handyman" may be able to afford to lose that money if the work is not done properly or completed entirely, but if the amount is raised to \$5,000.00 this may affect negatively consumers financially.

For the reasons listed above, I would be strongly opposed to increasing the limit for the "handyman exemption" from \$1,000.00 to \$5,000.00. Thank you for your consideration of my testimony and feel free to contact me if there is anything further I can contribute.

Sincerely,



Michael W. Tory  
Vice President

kong3

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 10, 2015 2:56 PM  
**To:** edbtestimony  
**Cc:** rshindo-hilomech@hawaii.rr.com  
**Subject:** Submitted testimony for HB103 on Feb 10, 2015 09:00AM

**HB103**

Submitted on: 2/10/2015

Testimony for EDB on Feb 10, 2015 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Russell Shindo	Individual	Oppose	No

Comments: There are too many unlicensed handyman doing substandard work. To compete for work companies may soon cut corners thus lowering the quality workmanship. Example : We were installing an HVAC system in a ware house setting. Owner hired an unskilled worker to do carpentry work. As I install ductwork around a beam, guy comes to me and says, " why don't you just cut a hole and run it through there". This Beam he is referring to is one of the main Steel Structural Beams for the warehouse. He is telling me to cut the steel beam!! Too many of these unqualified guys out there. Who knows what they are doing out there now under the \$1,000 exemption, to raise it to \$5,000 will be a disservice to the construction industry.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**LATE**

Kapili Construction, LLC  
252 Ipuhao Place #E2  
Wahiawa, Hawaii 96786

Mailing: P.O. Box 860999  
Wahiawa, Hawaii 96786  
PH: 621-ROOF / FAX: 621-1463  
License#: C-28938



**Kapili Roofing  
& Painting**



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## FACSIMILE TRANSMITTAL COVER SHEET

February 10, 2015

Transmitted To:  
ATTN

Fax No.: 808-586-8459

Representative Isaac Choy

Number Of Pages: (Including Cover Letter) 2

If There Are Any Questions, Please Feel Free To Call: Mike at (808) 306-3598

Re: Testimony for bill H.B 103 - Relating to Contractors

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Please forward testimony to necessary parties.

Sincerely,

  
Deja Kauhane

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### CONFIDENTIALITY NOTE

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**KAPILI ROOFING**  
Kapili Construction, LLC.



**Roofing Contractors  
Association of Hawaii**

**LATE**

Kapili Construction, LLC  
252 Ipuhoo Place #E2  
Wahiawa, Hawaii 96786

Mailing: P.O. Box 860999  
Wahiawa, Hawaii 96786  
PH: 621-ROOF / FAX: 621-1463

February 10, 2015

H.B. 103- Relating to Contractors  
Legislature Representative Isaac Choy

Michael Leong  
Owner  
Kapili Roofing & Painting

I am Michael Leong owner of Kapili Roofing and Painting and I oppose this bill because it will allow an unlicensed contractor/handyman, the ability to do jobs that myself as a licensed contractor will not be able to compete with pricing wise.

Thank you for your time and consideration

Mahalo,

Michael Leong - Owner / Manager



February 9, 2015

Testimony To: House Economic Development and Business Committee  
Representative Derek S. K. Kawakami, Chair

Presented By: Barbara Kono  
Executive Director  
Hawaii Wall & Ceiling Industry Association

Subject: Hearing on Tuesday, February 10, 2015 at 9:00 a.m.  
Re: HB 103 – RELATING TO CONTRACTORS

I am Barbara Kono, Executive Director of the Hawaii Wall & Ceiling Industry Association. Our members are opposed to this bill. Handymen do not have the same costs as a licensed contractor. They probably do not pay insurance and most likely do not pay taxes on this income. They are not required to pay license fees or pay into the Contractors Recovery Fund or RICO like licensed contractors do. They are not required to have a written contract or a disclosure of lien rights or offer bonds therefore, the threshold should remain at \$1,000.

Thank you for your time and attention.

**Akamai Raingutters**  
**95-442 Hokuula Loop, Mililani, Hawaii 96789**  
**Office (808) 623-9749 Fax (808) 621-5973**  
**C-25796**

**LATE****February 10, 2015****Testimony To: House Committee on Economic Development and Business****Representative Derek S.K. Kawakami****Presented By:****Subject: H.B. 103 - RELATING TO CONTRACTORS****Chair Kawakami and Members of the Committee:**

My name is Sheri Viernes. I am a small business owner. Our business is humbly requesting that you would **not** pass this bill to raise the amount for unlicensed exemption. It has been a struggle for many years with the economy. We have always tried to be competitive with other licensed contractors and also the unknown side job individuals who are not around very long, but can be awarded a job due to not having to pay extra expenses (taxes, bus. insurance, payroll, and medical insurances). Our business supports my family as well as keeping our worker's employed to support their families. Our constant struggle includes balancing money that is made through our services to cover raises our employees needed due to the costs of living rising, material prices increasing due to shipping costs, even paying more labor hours for being in traffic from job to job, and also paying taxes and insurances.. this can all be overwhelming.. but I do it because we like what we do and it all plays into our economy. \* a note- even our employees see that we are putting our company out there every day looking for jobs, being careful not to waste, or overspend, while paying taxes so government offices can get things done to make Hawaii what it is.:)

More and more I see customer's are looking to find the status of a business ex. with the BBB..so the customer feels comfortable. If they can find us registered or listed as a real business and accountable with the tax, and license offices they know we are invested and plan to be here for them over the years.

I can see from a homeowner's point of view.. they say they cannot find a contractor, the phone books are full of contractor's. From what I have heard from customers is that they would prefer not to pay the cost that a contractor needs to charge. We are human, we would like to save money, but when a job is not done right by someone who thinks they have enough knowledge to get the job done and a lot of money has been paid, how easy is it to get it back from someone not required to have a license, insurance, no letter head with there physical address or contact number? I feel the more of an increased amount that is given may extend the individual to take on even more than they may be capable of doing, seeing the money that can be made. In the end the homeowner may end up with losses, they may not be able to recover from.

Thank you for allowing me to share my thoughts and request for not passing this bill.

Thank you,

*Sheri Viernes*