

# IRONWORKERS STABILIZATION FUND

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February 5, 2015

Mark Nakashima, Chair  
Committee on Labor & Public Employment  
State House  
State Capitol  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Date: February 6, 2015  
Time: 9:00 a.m.  
Place: Conference Room 3095, State Capitol

Dear Honorable Chair Nakashima and Members of the Committee on Labor & Public Employment:

Re: Strong Support for HB307– Relating to Contractors License Board

We are in strong support for HB307 relating to Contractors License Board with some additional friendly language.

The purpose of this bill is to ensure that the general public is protected and also certify that the individuals receiving their contractor's license has had the experience and knowledge to do the work. The Hawaii Administrative Rules clearly states that individuals obtaining Contractors License must have "...not less than four years of supervisory experience as a foreman, supervising employee, or contractor in the particular classification in which the applicant intends to engage as a contractor."

Additionally, we know that the amount of subcontract licenses category far outweigh the amount of general engineering and general contractors license category, (**2 general license category and 68+ specialty license categories**). As such it is only reasonable that there should be more specialty license representatives then general license representatives.

We strongly support this measure for the protection of the men and women of Hawaii. Thank you for your time and consideration.



**HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST**  
1617 Palama Street · Honolulu, HI 96817 · Phone: 808-845-3238 · Fax: 808-845-8300 · URL: hilecet.org

**TESTIMONY OF HAWAII LECET  
CLYDE T. HAYASHI - DIRECTOR**

HOUSE OF REPRESENTATIVES  
THE TWENTY-EIGHTH LEGISLATURE  
REGULAR SESSION OF 2015

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Mark M. Nakashima, Chair  
Rep. Jarrett Keohokalole, Vice Chair

NOTICE OF HEARING

DATE: Friday, February 06, 2015  
TIME: 9:00 am  
PLACE: Conference Room 309  
State Capitol  
415 South Beretania Street

**TESTIMONY ON HOUSE BILL NO. 307, RELATING TO THE CONTRACTORS LICENSE BOARD.**

TO THE HONORABLE MARK NAKASHIMA, CHAIR, JARRETT KEOHOKALOOLE, VICE CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Clyde T. Hayashi, and I am the Director of Hawaii LECET. Hawaii LECET is a labor-management partnership between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Mahalo for the opportunity to testify in **strong opposition** to House Bill No. 307.

Currently, the composition of the board is made up of 5 general contractors, 5 specialty contractors, and 3 non-contractors/public members. We believe this current composition is fair and equitable; and does not warrant any change.

This bill proposes to eliminate all non-contractor/public members and purposely unbalances the board by changing the composition to 6 general contractors and 7 specialty contractors. The bill declares that "The protection of the public shall be of the highest priority for the board..." How is that achieved when this bill eliminates all non-contractor/public members, who are the members that should bring the non-contractor/public viewpoint into the board's deliberations and discussions.

This bill also attempts to add requirements in order to serve as a contractor member on the board. We believe these requirements are unnecessary. Board members are held to a code of ethics. Should there be a conflict of interests, board members have made that known with the Deputy Attorney General, and if recommended, have recused themselves from hearing and voting on such issues

For these reasons, we **strongly oppose** House Bill 307, and ask that it be held.

# BIA-HAWAII

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THE VOICE OF THE CONSTRUCTION INDUSTRY

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## Testimony to the House Committee on Labor & Public Employment Friday, February 6, 2015 9:00 a.m. State Capitol - Conference Room 309

### **RE: HOUSE BILL NO. 307 RELATING TO THE CONTRACTORS LICENSE BOARD**

Chair Nakashima, Vice-Chair Keohokalole, 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 is **opposed** to H.B. 307, which proposes to amend the composition of the Contractors License Board to include 4 general engineering contractors, 2 general building contractors, and 7 specialty contractors eliminating all non-contractor.

The current composition of the Contractors License Board (CLB) has been in existence for decades and exists to protect consumers from unqualified and/or unscrupulous people who attempt to do contracting work. Changing the composition of the CLB is dangerous, at best. The CLB evaluates over 100 license applications per month to see if the applicant is qualified to take the test to be licensed in one of over 100 license categories.

This bill would create an unbalanced board by changing the composition to 6 general contractors and 7 specialty contractors and eliminating all non-contractor members. Non-contractor members provide balance by bringing the public viewpoint into the board's deliberations and discussions.

We are **opposed** to H.B. 307 and respectfully request that the measure be held.

Thank you for the opportunity to share with you our views.

# Hawai'i Construction Alliance

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

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February 5, 2015

The Honorable Mark M. Nakashima, Chair  
The Honorable Jarrett Keohokalole, Vice Chair  
and members  
House Committee on Labor and Public Employment  
Hawai'i State Legislature  
Honolulu, Hawai'i 96813

Dear Chair Nakashima, Vice Chair Keohokalole, and members:

The Hawai'i Construction Alliance **opposes HB307**, relating to the contractors license board, for the reasons enumerated below.

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.

## **I. Opposition to changing composition of board**

Currently, the contractors license board consists of thirteen members: five general contractors, five specialty contractors, and three non-contractors. Under the current composition, no type of contractor represents the majority of the membership, and there is parity between the two types of contractors represented on the board. As a result, the current board can more fairly, thoroughly, and thoughtfully consider matters falling under its jurisdiction, with input from a variety of viewpoints.

HB307 would amend the membership of the contractors license board so that there would instead be four general engineering contractors, two general building contractors, seven specialty contractors, and zero non-contractors. This would result in a majority of the board being specialty contractors. Such a board would not be able to fairly, thoroughly, and thoughtfully consider matters falling under its jurisdiction.

## **II. Inconsistencies within the bill**

HB307 would require that all members of the contractors license board be either a specialty contractor or a general contractor. The bill also simultaneously prohibits members from "[having] any financial interest in the business of any licensee of the board."

These two requirements are fundamentally incompatible: how can the bill require that members be contractors, but also prohibit the members from having any interest in being licensed by board?

HB307 would also eliminate public (i.e. non-contractor) membership on the contractors license board, while adding a declaration that "the protection of the public shall be of the highest priority for the board in the exercise of its licensing, regulatory, and disciplinary functions."

While we recognize the importance of protecting the public, how does eliminating the public membership serve the goal of protecting the public?

### **III. Unnecessary provisions within the bill**

HB307 adds a declaration to HRS §444-3 stating “the protection of the public shall be of the highest priority for the board in the exercise of its licensing, regulatory, and disciplinary functions.”

Such an amendment to HRS §444-3 may be unnecessary, as HRS §444-4(2) already contains a declaration to the same effect: that the purpose of the board is to “effectuate this chapter [444] and carry out the purpose thereof, which is the protection of the general public.”

Mahalo for the opportunity to provide these comments.

Aloha,

A handwritten signature in black ink that reads "Tyler Dos Santos-Tam". The signature is written in a cursive, flowing style.

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

**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE  
ON LABOR & PUBLIC EMPLOYMENT

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2015

Friday, February 6, 2015  
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 307, RELATING TO THE CONTRACTORS  
LICENSE BOARD.**

TO THE HONORABLE MARK M. NAKASHIMA, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Peter H.M. Lee, Chairperson of the Contractors License Board ("Board") Legislative Committee. Thank you for the opportunity to testify on House Bill No. 307, which proposes to change the composition of the Board. The Board strongly opposes this measure for the following reasons.

Currently, the Board consists of thirteen members pursuant to Hawaii Revised Statutes ("HRS") section 444-3: five general contractors, five specialty contractors, and three noncontractors. This composition provides an equal number of general and specialty contractor Board members, with the addition of three noncontractors or public members. The current composition is balanced and has worked well for many years as industry, business and consumer interests are all represented.

This bill proposes to alter the Board's composition by requiring four general engineering contractors, two general building contractors, and seven specialty contractors. This change will clearly create an imbalance on the Board in favor of specialty contractors. This imbalance may lead to one-sided decisions that are based

solely on jurisdictional lines. The Board is not in favor of any change to its composition and believes that such a change may result in inequitable decisions.

In addition, this bill also proposes to repeal all noncontractor/public member positions which is contrary to serving the public's interest. The public members on any professional board play an important role in that they, not having the technical expertise, provide the public's perspective on the issue. Their input is valuable and necessary as they represent the ultimate users that licensing laws are designed to protect: the public. The current composition works and should not be changed.

The proposed amendments to HRS section 444-3(d), (e) and (f) are unnecessary because: (1) HRS section 84-14 already addresses conflicts of interest; (2) HRS chapter 444 defines contractor license classifications; and (3) Hawaii Administrative Rules section 16-77-2 sets forth the primary intent of the Board as being for the protection of the public, health, safety, and general welfare of the public.

For these reasons, the Board is strongly opposed to House Bill No. 307, and respectfully requests that it be held. Thank you for the opportunity to testify on this measure.