Honolulu, Hawaii

February 8 , 20

RE: H.B. No. 1875 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1875 entitled:

"A BILL FOR AN ACT RELATING TO SPECIALTY CONTRACTORS,"

begs leave to report as follows:

The purpose of this measure is to require that the Contractors License Board adopt rules to define the term "incidental and supplemental to the performance of work."

This measure also provides that the definition refer to no more than a certain percentage of all work in any craft or trade, other than any craft or trade for which the specialty contractor is licensed, to be performed under a single contract.

The Ironworkers Stabilization Fund testified in support of this measure with an amendment. The Department of Transportation testified in support of the intent of this measure. The Hawaii Laborers-Employers Cooperation and Education Trust, Pacific Resource Partnership, General Contractors Association of Hawaii, and Hawaii Laborers Union Local 368 opposed this measure. The Contractors License Board and Subcontractors Association of Hawaii provided comments on this measure.

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Your Committee has amended this measure by:

- (1) Specifying that the definition of "incidental and supplemental to the performance of work" shall refer to no more than ten percent of all work in the subcraft contract;
- (2) Changing its effective date to January 1, 2050, to enable further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that the Contractors License Board held a public hearing on November 17, 2017, on amendments to section 16-77-34, Hawaii Administrative Rules, which clarified incidental and supplemental work relating to contractors. Your Committee further notes that the administrative rules are still pending and, as such, your Committee proposes to facilitate continued dialogue on this issue through the legislative process, including further discussion on the amended definition of incidental and supplemental work referring to no more than ten percent of all work in the subcraft contract.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

AARON III JOHANSON, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.:	Committee Referral: Date:			
HB 1875	LAB, CPC,	FIN	OIFEB.	2018
☐ 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)				
LAB Members	Ayes	Ayes (WR	Nays	Excused
1. JOHANSON, Aaron Ling (C)				
2. HOLT, Daniel (VC)		Anni Maria de Come de servez e e e e en case elle dels del dels		
3. EVANS, Cindy			7. material (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	
4. ICHIYAMA, Linda			Settle Control and American Advances (1997) Control Stration introduction	2011
5. KEOHOKALOLE, Jarrett				
6. YAMASHITA, Kyle T.				
7. MATSUMOTO, Lauren Kealohi	ilani 🗸			
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TOTAL (7)	7	0	O	0
The recommendation is: Adopted Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				