

HB 1648

**RELATING TO
CONTRACTORS**

A BILL FOR AN ACT

RELATING TO CONTRACTORS.

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

1 SECTION 1. Section 444-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Incidental and supplemental" means work that is
5 subordinate to another contractor and directly related to and
6 necessary for the completion of the craft or trade project. The
7 term shall include work that a specialty contractor has been
8 authorized to perform by another contractor licensed to perform
9 that work, despite the scope of operations in which the
10 specialty contractor is classified and qualified to engage."

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act shall take effect upon its approval.

13
INTRODUCED BY: 

JAN 11 2018



H.B. NO. 1648

Report Title:

Specialty Contractors; Incidental and Supplemental Work;
Contractors License Board

Description:

Authorizes specialty contractors to perform work outside the scope of their licenses when that work is subordinate to another contractor and directly related to and necessary for the project.

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



HB 1648

TESTIMONY

Testimony of
Christopher Delaunay, Government Relations Manager
Pacific Resource Partnership

HOUSE OF REPRESENTATIVES
Committee on Labor & Public Employment
Representative Aaron Ling Johanson, Chair
Representative Daniel Holt, Vice Chair

Thursday, February 1, 2018
9:00 A.M.
State Capitol – Room 309

Aloha Chair Johanson, Vice Chair Holt and members of the Committee:

We respectfully oppose HB 1648 and HB 1875 as both measures attempt to redefine the term “incidental and supplemental” which has already been clarified by the Contractor’s Licensing Board (CLB) through a Final Order and, more recently, the rulemaking process.

On October 18, 2013, a CLB Final Order was issued pursuant to the Hawaii Supreme Court’s ruling in District Council 50 v. Lopez,¹ which clarified the term “incidental and supplemental” work. The CLB concluded that to qualify as “incidental and supplemental” work, the work must:²

- (1) Represent less than 50% of the project (as measured in relation to the project’s total cost or extent); and
- (2) Be subordinate to, directly related to, and necessary for the completion of the work of greater importance that is within the scope of the licensee’s license (i.e., the primary work the specialty contractor is licensed to perform).

This Final Order was subsequently upheld by the Circuit Court on November 6, 2014, and by the Intermediate Court of Appeal’s on December 21, 2015.³ On May 10, 2016, the Hawaii Supreme Court

¹ District Council 50 v. Lopez, 129 Haw. 281 (2013).

² In the Matter of the Petition for Declaratory Relief of District Council 50 of the International Union of Painters and Allied Trades and Aloha Glass Sales & Service, Inc., Board’s Final Order Upon Remand, CLB-DR-2006-2 (2013).

³ District Council 50 v. Colon, CAAP-14-0001336 (Haw. App., 2015).



(Continued From Page 1)

denied further challenges to this Final Order when it rejected a March 28, 2016 “Application For Writ of Certiorari” in the District Council 50 v. Colon case.⁴

Furthermore, on November 17, 2017, the CLB held a public rulemaking hearing where it approved an amendment to § 16-77-34, Hawaii Administrative Rules (HAR) which clarified “incidental and supplemental” work. The amendment conforms to the Hawaii Supreme Court’s decision in the District Council 50 v. Lopez case and the CLB’s corresponding Final Order dated October 18, 2013. The approved amendment is now before the Governor for his consideration.

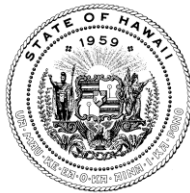
Since the CLB and the courts have clarified what qualifies as “incidental and supplemental” work, amendments in HB1648 and HB 1875 are unnecessary.

Thank you for allowing us to voice our opinion and we respectfully request that these bills be held by the Committee.

About PRP

Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii’s top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.

⁴ Order Rejecting Application For Writ Of Certiorari, SCWC-14-0001336, May 10, 2016.



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN
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DEPUTY DIRECTOR

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

**TO THE HOUSE COMMITTEE
ON LABOR AND PUBLIC EMPLOYMENT**

**TWENTY-NINTH LEGISLATURE
Regular Session of 2018**

**Friday, February 1, 2018
9:00 a.m.**

TESTIMONY ON HOUSE BILL NO. 1648, RELATING TO CONTRACTORS.

**TO THE HONORABLE AARON LING JOHANSON, CHAIR, AND MEMBERS OF THE
COMMITTEE:**

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on H.B.1648, Relating to Contractors. My name is Daria Loy-Goto, and I am the Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). RICO takes no position on this bill but offers the following enforcement-related comments.

H.B.1648 proposes to add a definition of "incidental and supplemental" to Hawaii Revised Statutes ("HRS") chapter 444. The bill defines "incidental and supplemental" as work that is subordinate to another contractor and directly related to and necessary for the completion of the craft or trade project, and includes work that a specialty contractor has been authorized to perform by another contractor licensed to perform that work,

despite the scope of operations in which the specialty contractor is classified and qualified to engage.

Hawaii Administrative Rules section 16-77-34, which was promulgated pursuant to HRS chapter 444, defines “incidental and supplemental” as “work in other trades directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license.” Under this definition, a specialty licensee may perform work outside the scope of that person’s or company’s license so long as that work is incidental and supplemental to work for which that person or company is licensed.

H.B. 1648 appears to limit the “incidental and supplemental” language to jobs involving contractors who are subcontracting portions of the project to specialty contractors.

As currently drafted, this bill creates ambiguity as to whether specialty contractors are still permitted to undertake work in situations without another contractor’s authorization. In addition, the terms “subordinate to” and “authorized to perform” in H.B. 1648 are not defined, creating further ambiguity in what type of work specialty contractors will be permitted to undertake. As this bill will significantly affect how specialty contractors bid and perform jobs, RICO believes further discussion is warranted.

Thank you for the opportunity to testify on H.B. 1648. I will be happy to answer any questions the Committee may have.

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON
LABOR AND PUBLIC EMPLOYMENT

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Thursday, February 1, 2018
9:00 a.m.

TESTIMONY ON HOUSE BILL NO. 1648, RELATING TO CONTRACTORS.

TO THE HONORABLE AARON LING JOHANSON, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Peter H.M. Lee, and I am the Chairperson of the Contractors License Board ("Board") Legislative Committee. Thank you for the opportunity to testify on H.B. 1648. The Board takes no position at this time but offers the following comments.

This measure proposes to define the term "incidental and supplemental" as work that is subordinate to another contractor and directly related to and necessary for the completion of the craft or trade project, and would include work that a specialty contractor has been authorized to perform by another contractor licensed to perform that work, despite the scope of operations in which the specialty contractor is classified and qualified to engage.

The Board has not had the opportunity to discuss this bill but will be discussing this measure at its next meeting on February 16, 2018. However, the Board has previously testified in strong opposition to similar measures that propose to define "incidental and supplemental" work and measures that compromise the safety of the general public.

The Board respectfully submits this bill is unnecessary because the limit of “incidental and supplemental” work that can be performed by specialty contractors has already been established by the Hawaii Supreme Court in District Council 50 v. Lopez, 129 Hawai‘i 281, 298 P.3d 1045 (2013) (“DC 50”). Among other things, the Court in DC 50 interpreted the term “incidental and supplemental” in Hawaii Revised Statutes (“HRS”) chapter 444 to be less than a majority. The Board complied with this directive and interpreted less than a majority to mean less than fifty percent.¹ The Board also determined that to qualify as “incidental and supplemental” work, that work must be subordinate to, directly related to, and necessary for the completion of the work of greater importance that is within the scope of the licensee’s license (i.e., the primary work the specialty contractor is licensed to perform), and that work must represent less than fifty percent of the project (as measured in relation to the project’s total cost or extent).

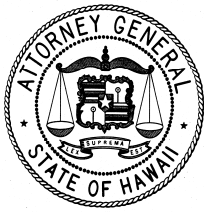
The Board’s interpretation of “incidental and supplemental” work in its BFO has subsequently been upheld by the circuit court and the Hawaii Intermediate Court of Appeals. In addition, in May 2016, the Hawaii Supreme Court rejected a petition for writ of certiorari that challenged the BFO. Thus, the BFO is the current standard in the construction industry. Since October 2013, the Board has consistently applied this standard to numerous scope of work inquiries.

Thank you for the opportunity to testify on H.B. 1648.

¹ See In the Matter of the Petition for Declaratory Relief of District Council 50 of the International Union of Painters and Allied Trades and Aloha Glass Sales & Service, Inc., CLB-DR-2006-2, for the Board’s Final Order Upon Remand issued October 18, 2013 (“BFO”).

HB 1648

**LATE
TESTIMONY**



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2018**

LATE

ON THE FOLLOWING MEASURE:
H.B. NO. 1648, RELATING TO CONTRACTORS.

BEFORE THE:
HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

DATE: Thursday, February 1, 2018 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 309

TESTIFIER(S): Russell A. Suzuki, First Deputy Attorney General, or
Krishna F. Jayaram, Deputy Attorney General

Chair Johanson and Members of the Committee:

The Department of the Attorney General provides the following technical comments on this bill.

This bill adds a definition of "Incidental and supplemental" to section 444-1, Hawaii Revised Statutes (HRS), on page 1, lines 4-10:

"Incidental and supplemental" means work that is subordinate to another contractor and directly related to and necessary for the completion of the craft or trade project. The term shall include work that a specialty contractor has been authorized to perform by another contractor licensed to perform that work, despite the scope of operations in which the specialty contractor is classified and qualified to engage.

Our concern is that this new definition as phrased is inconsistent with section 444-8(c), HRS. The term "incidental and supplemental" is used once in chapter 444. Section 444-8(c), HRS provides as follows:

(c) This section shall not prohibit a specialty contractor from taking and executing a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which the specialty contractor is licensed, is incidental and supplemental to the performance of work in the craft for which the specialty contractor is licensed.

The proposed new definition defines “incidental and supplemental” as work that is “subordinate” to another contractor or work that “has been authorized” by another contractor. Consequently, the proposed new definition requires at least two contractors. Section 444-8(c), however, assumes only the single specialty contractor, *i.e.*, it involves a specialty contractor taking and executing a contract without another contractor involved.

Depending upon the intent of the Legislature, we recommend that the bill be amended to either: (1) conform the new definition to section 444-8(c), HRS, by deleting the phrase “to another contractor” on page 1, line 5, and deleting the entirety of the second sentence on page 1, lines 6-10; or (2) conform section 444-8(c), HRS, to the new definition by deleting the phrase “to the performance of work in the craft for which the specialty contractor is licensed” from section 444-8(c), HRS.

Thank you for the opportunity to testify.

LATE

LATE TESTIMONY for Measure: 1648

Committee	LAB
Committee Referrals	LAB
Date of Hearing	
Organization	DAGS
Name of Testifier	KEITH KOGACHI
Job Title of Testifier	ACTING PUBLIC WORKS ADMINISTRATOR
Position – Circle One	Support / <u>Oppose</u> / Comments
Category – Circle One	Fed Govt. / State Govt. / County Govt. / Industry / Private
Notes:	

HB-1648

Submitted on: 1/30/2018 3:29:37 PM

Testimony for LAB on 2/1/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cheryl Lewis	The Legislative Center	Comments	Yes

Comments:

Please deliver on behalf of Tim Lyons, President of the Subcontractors Association of Hawaii.

Thank you.



HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST

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February 1, 2018

HOUSE OF REPRESENTATIVES COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

DATE: Thursday, February 1, 2018
TIME: 9:00 AM
PLACE: Conference Room 429
State Capitol
415 South Beretania Street

RE: STRONG OPPOSITION TO HB1648 - RELATING TO CONTRACTORS

Aloha Chair Aaron Johanson, Vice Chair Daniel Holt, and members of the Committee on Labor & Public Employment,

The Hawaii Laborers-Employers Cooperation and Education Trust (LECET) is a labor-management partnership between the 5000+ members of the Hawaii Laborers Union and its 250+ unionized contractors.

Hawaii LECET STRONGLY OPPOSES HB1648 which proposes to authorize specialty contractors to perform work outside the scope of their licenses when that work is subordinate to another contractor and directly related to and necessary for the project.

This bill attempts to redefine "incidental and supplemental" as currently utilized by the Contractors License Board (board) since October 2013 when the State Supreme Court denied DC50's writ of certiorari.

The Board determined that to qualify as "incidental and supplemental" work, that work must be subordinate to, directly related to, and necessary for the completion of the work of greater importance that is within the scope of the licensee's license (i.e., the primary work the specialty contractor is licensed to perform), and that work must represent less than 50% of the project (as measured in relation to the project's total cost or extent).

In addition, this bill also seems to promote unlicensed activity as it proposes to "... authorize specialty contractors to do work by another contractor licensed to perform the work...".

For these reasons, we ask for your consideration to **defer HB1648 indefinitely**.

With respect,

Joy N. Kimura

Hawaii Laborers-Employers Cooperation
and Education Trust



LATE

LiUNA!

**TESTIMONY OF RYAN K. KOBAYASHI
GOVERNMENT AND COMMUNITY RELATIONS DIRECTOR
HAWAII LABORERS UNION LOCAL 368**

PETER A. GANABAN
*Business Manager/
Secretary-Treasurer*

ALFONSO OLIVER
President

JOBY NORTH II
Vice President

TONI FIGUEROA
Recording Secretary

JAMES DRUMGOLD JR.
Executive Board

ORLANDO PAESTE
Executive Board

JOSEPH YAW
Executive Board

MARTIN ARANAYDO
Auditor

RUSSELL NAPIHA'A
Auditor

MARK TRAVALINO
Auditor

ALFRED HUFANA JR.
Sergeant-At-Arms

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

NOTICE OF HEARING

DATE: Thursday, February 1, 2018

TIME: 9:00 a.m.

PLACE: Room 309

TESTIMONY IN OPPOSITION TO HB 1648 RELATING TO CONTRACTORS

ALOHA COMMITTEE CHAIR JOHANSON, VICE-CHAIR HOLT, AND COMMITTEE MEMBERS,

My name is Ryan K. Kobayashi, Government and Community Relations Director for the Hawaii Laborers Union Local 368. The Hawaii Laborers Union is made up of over 5000 working and retired members across the State of Hawaii, and we are **OPPOSED to HB 1648.**

The State Legislature, State of Hawaii Contractors License Board, and the construction industry members has for decades worked to ensure that construction projects across our State are built both safely and with requisite quality to ensure the safety of the project for not only the workers on the project, but the safety and welfare owners and/or users of the project after the construction of the project has been completed.

We are **opposed** to this bill because it appears to promote "unlicensed activity" by authorizing a specialty contractor to perform work by another contractor licensed to perform that work, despite the scope of operations in which the specialty contractor is classified and qualified to engage.

This means that the specialty contractor, as long as authorized by another contractor licensed to perform that work, could do so "outside the scope" of his license again allowing that specialty contractor to engage in "unlicensed activity", even if the specialty contractor is not qualified to do so.

Such "out of scope" work is presently deemed to be "unlicensed" activity in the State of Hawaii. According to the Contractors License Board which presently defines "Incidental and Supplemental Work" as "Work that is subordinate to, directly related to, and necessary for the completion of the work that is of greater importance that is **within the**

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scope of the licensee's license, and that work must represent less than 50% of the project."¹

Therefore we feel that redefining "Incidental and Supplemental" work in this manner is not only potentially dangerous to project owners and/or users, but also a danger to the workers on the project especially if the contractor on the project is not licensed to do such work as that work could potentially be outside of that particular contractor's realm of expertise.

Therefore, the Hawaii Laborers' Union, Local 368 stands in **OPPOSITION to HB 1648**, and requests that **HB 1648 deferred indefinitely**.

Sincerely,



Ryan K. Kobayashi
Government and Community Relations Director
Hawaii Laborers' Union, Local 368

¹ Less than 50% of the project is measured in relation to the project's total cost or extent.

IRONWORKERS STABILIZATION FUND

January 31, 2018

Aaron Ling Johanson, Chair
Committee on Labor and Public Employment
House of Representative
State Capitol
415 S. Beretania Street
Honolulu, Hawaii 96813

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

Re: Strong Support for HB 1648 – Relating to Contractors

We are in strong support of HB 1648, Relating to Contractors; that establishes a definition of incidental and supplemental to the Hawaii Revised Statutes.

The purpose of this bill is to ensure that all parties dealing with construction will know that incidental and supplemental work should be done by the subcontractors.

Additionally we wish to make an amendment to this bill to ensure the language will be clear to all parties.

SECTION 1. Incidental and supplemental work shall only be done by subcontractors and not be done by a general engineering or general building contractor.

SECTION 2. Section 444-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

""Incidental and supplemental" means work that is subordinate to another subcraft and/or subcontractor and directly related to and necessary for the completion of the subcraft or trade's project."

We believe this bill will ensure that the jobs will be done correctly and by trained individuals. We strongly support this measure for the working men and women of Hawaii. Thank you for your time and consideration.

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Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 1, 2018

TO: HONORABLE AARON JOHANSON, CHAIR, HONORABLE DANIEL HOLT, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON LABOR

SUBJECT: **STRONG OPPOSITION TO H.B. 1875, RELATING TO SPECIALTY CONTRACTORS.** Requires the Contractors License Board to adopt rules to define "incidental and supplemental to the performance of work" and to set the percentage of a craft or trade in which a specialty contractor may engage without a license while performing work in a craft or trade for which the contractor is licensed.

HEARING

DATE: February 1, 2018
TIME: 9:00 a.m.
PLACE: Conference Room 309

LATE

Dear Chair Johanson, Vice Chair Holt and Committee Members,

The General Contractors Association (GCA) is an organization comprised of over 500 general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA is in strong opposition to H.B. 1875, Relating to Specialty Contractors which proposes to mandate the Contractors License Board to define "incidental and supplemental" by setting a percentage of a craft or trade in which a specialty contractor may engage. The current bill includes a blank percentage. The GCA respectfully **requests that the bill be held** because it is unnecessary; the Contractors License Board recently underwent the adoption of administrative rules amending the existing definition of incidental and supplemental in alignment with the 2013 Hawaii State Supreme Court Decision in *District Council 50 vs. Lopez, State of Hawaii*.

H.B. 1875 is flawed and would create more confusion.

This measure directs the Board to adopt rules and suggests a flawed definition of incidental and supplemental that is not necessary because Section 444-8(c) references the term and its applicability to the performance of such work. The proposed definition haphazardly attempts to define the term by quantifying "incidental and supplemental" with a percentage that goes directly against the sustained interpretation by the Board in its Final Order.

Background regarding Incidental and Supplemental

Due to the Okada Trucking ruling in 2002, the term incidental and supplemental has been a topic of much debate in disputes regarding jurisdiction and the performance of work by a general contractor or a specialty contractor. Most recently this issue has been highlighted in the *District Council 50 vs. Lopez, State of Hawaii* and the Supreme Court's decision in 2013 ("DC 50"). This case underwent two requests for certiorari by the Hawaii Supreme Court and was sent back to the Board for clarification and implementation. Since then, there have been legislative proposals at the Hawaii State Legislature attempting to "quantify" what incidental and supplemental is in reference to; many times these proposals present a flawed analysis for an already complicated field of construction. In 2013 the Hawaii Supreme Court ruled in DC 50 case that a C-5 cabinet millwork, and carpentry remodeling and repairs specialty contractor, cannot perform work that is not covered by the C-5 license unless it is incidental and supplemental to the C-5 work. According to the Court, "incidental and supplemental" meant that work could not be the majority of the work, but had to be minor in nature.

Incidental and supplemental is *currently* defined in Hawaii Administrative Rules 16-77-34 as "work in other trades directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license." The Board recently passed its revised administrative rules in November 2017 and is awaiting the Governor's final approval. **Due to the pending approval of the administrative rules it would be prudent to allow the process to take its course which intimately involved input from the construction industry and was recommended after unanimous approval by the Contractors License Board.**

The proposed changes in this measure is a haphazard attempt to amend what incidental and supplemental means by quantifying it with a certain percentage. The Board acknowledged in its October 2013 Final Order Upon Remand, and subsequent scope determinations that it will review inquiries **on a case by case basis** and apply a test that will consider whether such work is less than a majority of the project and is subordinate and in addition to licensed work of greater importance. If a bill were to set a certain percentage for incidental and supplemental work it would result in more bid protests due to a host of additional subcontractors needing to be listed for a job and also increase costs, and greater inefficiency.

GCA Supports the Board's Administrative Rule on Incidental and Supplemental

As the Contractors License Board articulated in October 2013 –its' Final Order Upon Remand "the Court's decision did not expressly invalidate the Board's rule." See *Contractors License Board-DR 2006-2, District Council 50 Board's Final Order Upon Remand*, p. 9. It is important to note that while the existing administrative rule in Section 16-77-34 has not been invalidated, it is laudable that the Board is attempting to further articulate the intent and meaning of incidental and supplemental. It would be hazardous for this legislative proposal to try to abdicate the work of the Contractors License Board and arbitrarily assign a percentage of what it thinks should be considered incidental and supplemental.

The GCA urges the committee to hold H.B. 1875 and allow the current rulemaking process to take its course. Thank you for this opportunity to present our strong opposition to H.B. 1875.



ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

NECA Hawai'i Chapter

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January 31, 2018

To: House Committee on Labor & Public Employment
Honorable Chairman Johanson & Vice Chairman Holt

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

Subject: HB 1648 Relating to Contractors

Notice of Hearing

Date: February 1, 2018
Time: 9:00 AM
Place: Conference Room 309
State Capitol
415 South Beretania Street

Dear Chair Johanson and Committee members:

The Electrical Contractors Association of Hawaii (ECAH) is a non-profit association representing over 100 electrical contractors doing business in the State of Hawaii. ECAH is the Hawaii Chapter of the National Electrical Contractors Association. ECAH **opposes** HB 1648 as written. We object to the second sentence of the new language in Section 1. Currently, HAR 16-77-34 defines Incidental and Supplemental as, "work in other trades related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license". This provision should not be extended to another contractor to perform that work.

Incidental and Supplemental work is intended for specialty contractors when the conditions above are applicable and not a broad application of this provision to all classes of contractors.

Based on the above, ECAH **opposes** the passage of HB 1648 as written and encourages this committee to kill this bill.

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

HB-1648

Submitted on: 1/30/2018 4:47:52 PM

Testimony for LAB on 2/1/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Karin Nomura		Oppose	No

Comments:

A while back, it seems a “licensed and insured” contractor was “hired” to do a project but someone turned it over to another contracting company. (At least this is how it was explained to me) I didn’t learn any of this as I was only given the information for the “unlicensed” contractor, nothing mentioned of any licensed. Now I bring this up because according to this bill, a subordinate can be used or authorized to perform the duties the contractor that was hired should be performing with “despite the scope of operations” mentioned.

In my instance, I didn’t realize anything along this nature was supposedly occurring, I saw workers working on the project, after the incident questions came up to the name of the company I was provided with found a permit had not been issued, the ‘contractor’ I was notified of working on this project I later found from the DCCA and DPP was unlicensed and uninsured. Oddly, the company that originally put in the request was attached and submitted to the second request that was under the contractor I was told worked on the project and was unlicensed. Which it seems allowed for permits and other items (I’m told, haven’t seen yet, other than a notification of a permit having been issued, though no work since on the original ‘project’ that had been completed a month prior)

So, from my perspective, as the permit requires all personnel who are or will be working on the project to be listed (at least from the books I was referred to read – IBC & IRC 2006 edition) feel that if any substitutions; later found ‘connections’ between a licensed and unlicensed; etc. should be updated on the permit issued, and not left under separate permit requests for one, and second be easily recognizable as the contractors who are responsible for the project. As to me this bill just makes it easier for the bait and switch.