STAND. COM. REP. NO. 219

Honolulu, Hawaii

FEB 1 4 2020

S.B. No. 2871 RE: S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2871 entitled:

"A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING TRUST FUNDS, "

begs leave to report as follows:

The purpose and intent of this measure is to allow the Contractor License Board and the Real Estate Commission to adjust, reduce, suspend, or cease collection of recovery fund and education fund fees when fund levels are adequate to carry out the statutory mandates for which the funds were created.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Contractors License Board, Real Estate Commission, and the Community Associations Institute.

Your Committee finds that Act 29, Session Laws of Hawaii, 2019 (Act 29), established or amended certain special fund ceilings and provided for the suspension or refund of fees if the ceiling was exceeded. Act 29 had a partial delayed implementation date, which provided the Department of Commerce and Consumer Affairs time to confer with the Contractors License Board and Real Estate Commission. Your Committee notes the importance of maintaining reasonable and appropriate recovery and education trust fund balances; however, your Committee finds that it is



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inappropriate to authorize the Contractors License Board (Board) or the Real Estate Commission (Commission) to develop policies to refund public monies in excess of the ceilings established by law and to refund such monies to licensees that paid into the fund. In place of fund ceilings and developing policies to refund public monies, this measure grants the Board and the Commission the authority to make findings that a fee adjustment is appropriate and to make adjustments to maintain adequate balances in the fund. The measure provides the necessary flexibility to timely regulate the respective funds to ensure that consumers are not being required to overpay for the services of the Board and Commission in regulating the construction and real estate industries.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2871, S.D. 1, and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Health,

Cosalyn H. BAKER, Chain



The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:*	Committee Referral:			Date:		
SB 2871	CPH, NAM			2/11/20		
The Committee is reconsidering its previous decision on this measure.						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Ауе	Aye (WR	R) Nay	Excused	
BAKER, Rosalyn H. (C)		1				
CHANG, Stanley (VC)						
NISHIHARA, Clarence K.						
RUDERMAN, Russell E.		V				
THIELEN, Laura H.		\checkmark				
WAKAI, Glenn		\checkmark				
FEVELLA, Kurt						
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TOTAL		6				
Recommendation:			<u> </u>		· · · · · · · · · · · · · · · · · · ·	
Adopted Not Adopted						
Chair's or Designee's Signature:						
Distribution: Original File with Committee Rep		ellow s Office E	Pink Drafting Agend			

*Only <u>one</u> measure per Record of Votes