

HB

69

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 chapter 444, Hawaii
2 Revised Statutes, requires that a licensed contractor be hired
3 for any construction work that costs more than \$1,000 or that
4 requires a building permit. However, the handyman exemption to
5 chapter 444, Hawaii Revised Statutes, allows the hiring of a
6 person not licensed as a contractor if the total value of the
7 project, including labor and materials, is equal to or less than
8 \$1,000.

9 The legislature further finds that as housing costs have
10 increased in Hawaii, the cost of housing materials has also
11 increased. As a result, small home repair projects may easily
12 exceed \$1,000. Additionally, Act 195, Session Laws of Hawaii
13 2009, increased the monetary sanctions for engaging in
14 contracting without the required license in violation of the
15 contractors licensing law. Fines were increased from \$500 to
16 \$2,500 for the first offense and from \$1,000 to \$3,500 for the
17 second offense. This represents a fivefold increase in the



1 amount of the first offense fine and over a threefold increase
2 in the second offense fine.

3 Despite an increase in costs and a shortage of licensed
4 contractors, the handyman exemption amount has not been
5 increased since 1992. Accordingly, the legislature finds that
6 in order to combat high housing costs, the handyman exemption
7 should be expanded to provide faster, easier access to
8 construction services for smaller projects.

9 It is necessary to raise the handyman exemption for several
10 reasons. First, increasing the exemption threshold brings the
11 exemption more in line with the increased fines imposed by Act
12 195 and reduces that law's potential impact on handymen who take
13 on small projects in good faith and face rising materials costs.
14 Second, raising the handyman exemption will help landlords and
15 homeowners reduce the costs of maintaining a home or for repairs
16 to make rentals marketable. Third, in rural parts of the State,
17 it is often difficult to find licensed contractors for these
18 projects because the job is either too small or contractors are
19 not available. Finally, if the exemption threshold remains as
20 it is, senior citizens who are unable to find contractors may be



1 forced to attempt dangerous repairs themselves, thereby placing
2 senior citizen homeowners at risk of injury.

3 The purpose of this Act is to broaden the contractor
4 licensing law's handyman exemption threshold amount by removing
5 all costs other than labor from its calculation and raising the
6 amount to \$1,500.

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

9 **"§444-2 Exemptions.** This chapter shall not apply to:

- 10 (1) Officers and employees of the United States, the
11 State, or any county while in the performance of their
12 governmental duties;
- 13 (2) Any person acting as a receiver, trustee in
14 bankruptcy, personal representative, or any other
15 person acting under any order or authorization of any
16 court;
- 17 (3) A person who sells or installs any finished products,
18 materials, or articles of merchandise that are not
19 actually fabricated into and do not become a permanent
20 fixed part of the structure, or to the construction,



1 alteration, improvement, or repair of personal
2 property;

3 (4) Any project or operation for which the [aggregate]
4 contract price for labor[, materials, taxes, and all
5 ~~other items~~] is not more than [~~\$1,000.~~] \$1,500. This
6 exemption shall not apply in any case where a building
7 permit is required regardless of the [aggregate]
8 contract price, nor where the undertaking is only a
9 part of a larger or major project or operation,
10 whether undertaken by the same or a different
11 contractor or in which a division of the project or
12 operation is made in contracts of amounts not more
13 than [~~\$1,000~~] \$1,500 for the purpose of evading this
14 chapter or otherwise;

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

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

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



H.B. NO. 69

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


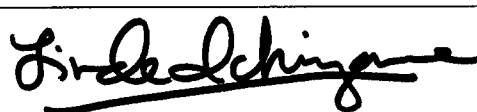
(9) Any project or operation where it is determined by the board that less than ten persons are qualified to perform the work in question and that the work does not pose a potential danger to public health, safety, and welfare; or

(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 on July 1, 2019.

INTRODUCED BY:

JAN 17 2019



H.B. NO. 69

Report Title:

Contractors; Handyman Exemption

Description:

Raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

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



SAH - Subcontractors Association of Hawaii

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

Phone: (808) 537-5619 ♦ Fax: (808) 533-2739

February 20, 2019

Testimony To: House Committee on Consumer Protection & Commerce
Representative Roy Takumi, Chair

Presented By: Tim Lyons, President

Subject: H.B. 69 – RELATING TO CONTRACTORS

Chair Takumi 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

Although the construction industry is one industry it is composed of many different niche contractors. It is the smaller contractors, engaged in primarily homeowner activity that will take the brunt of this bill.

It is quite typical in many construction trades that about 50% of the price is associated with labor and about 50% with materials. So when you raise the current \$1000 exemption amount for needing a contractor's license to \$1500 but limit it to labor cost only, you are in effect raising the ceiling for the types of jobs that qualify for no license from \$1000 to \$3000. So don't be fooled by only the 50% increase in this proposal; in reality it is a 200% increase. Savvy handymen will get around the law by having homeowners buy the materials and only charge for labor to get around the \$1500 ceiling.

Now some may say that \$3000 is nothing and dependent on the type of project that may be correct. As an example, \$3000 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, paint a room, install new living room carpet, put in new screens, install rain gutters and so on. Every item I have just mentioned can be done for under \$1500 in labor and no building permit is required. The law contemplated the licensing exemption to accommodate a situation to fix a lock, paint a door or replace a screen and we suggest that all of that can still be done under the current \$1000 exemption.

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 and upcoming tough

times, when competition will be fierce, we feel that it is not fair 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 deal 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 \$1500. Contrary to that, the legislature has already determined that those in the construction industry are "bad guys" and require regulation in order to protect the public. Why not handymen? Why not registration, certification or licensing?

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 \$3000? 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 mandatory written contracts to avoid disputes just like when they deal with a licensed contractor for a \$2000 job?

This bill's preface talks about a supposed scarcity of licensed contractors but the DCCA website says there are 11,772 active licensees. I don't think any contractor who is trying to compete will agree that there is a lack of competition.

So what kind of regulatory costs does a licensed contractor have that an unlicensed contractor or handyman does not? Here is a partial list:

- *the attached Disclosure of Lien Rights has to be attached to contracts.
- *there is access to a recovery fund, a pool of money for consumers that have been ripped off but only if by licensed contractors.
- *there is a right to cancel.
- *in order to renew licenses the contractor has to prove taxes were paid, that he has workers' compensation insurance and that he has paid taxes such as, unemployment insurance and temporary disability insurance.
- *there is extra protection for seniors, but again, only if they use a licensed contractor.
- *there are protections since a written contract is required.
- *there is a protection that the homeowner knows that he has a right to get the job bonded for their own protection.
- *the consumer has to know and be advised that there is a Right to Cure in case there is defective workmanship.
- *the consumer has a right to know who the subcontractors are on a particular job so that they can go after them if they have to.
- *consumers have the right to know when the completion date is for their contract.
- *and, the address of the contractor must be up to date in order to locate them.

Handymen have none of these requirements.

In short, this bill might have good intentions but it has horrible unintended consequences not only for the industry but also for the average unprotected consumer and we oppose it.

Thank you.

DISCLOSURE OF LIEN RIGHTS

Access this form via website at: cca.hawaii.gov/pvl

HOMEOWNERS TAKE NOTICE

Any person who furnishes labor (prime or subcontractor) or materials (material supplier) for your home improvement or renovation project and is not paid can file a claim (lien) in Circuit Court against your property under Hawaii Revised Statutes ("HRS") Chapter 507. This is true even if you have paid the contract price in full to the prime contractor and the contractor fails to pay his subcontractors or material suppliers.

In order to obtain a lien against your property, a contractor, subcontractor, or material supplier must go to court and show that goods or services for the project have been supplied but not been paid for. You will be notified to appear and defend against these claims in court.

If a lien is obtained, you are entitled to prove in a later court proceeding that you paid your prime contractor in full. The court could then enter judgment in your favor against the prime contractor and direct payment out of the contractor's recovery fund up to the amount allowed by law, if the prime contractor was properly licensed at the time you entered into the contract with the prime contractor.

WHAT YOU CAN DO

Here is what you can do to help prevent problems:

- (1) Make certain that the contractor is licensed. Call 587-3295 to verify licensure.
- (2) On bigger jobs ask the contractor to explain to you about the possibility of providing a PERFORMANCE AND PAYMENT BOND which will guarantee completion of the project and payment of all liens. This Bond is usually provided by surety companies or material supply houses to qualified contractors. It may cost you approximately 5% of the project cost.
- (3) YOU SHOULD NOT MAKE ANY ORAL AGREEMENTS. Make sure everything is put in writing, including but not limited to the price, what work is to be done, any specific exclusions or restrictions, and the grade and brand of materials to be used, the length of the project, etc. See HRS §444-25.5 and the rules of the Contractors License Board. If you later agree to make any changes in the original specifications, THESE CHANGES SHOULD BE IN WRITING AS WELL.
- (4) TAKE TIME TO STUDY THE AGREEMENT. Do not let a contractor or salesman hurry you into signing a contract; especially when you feel pressured by emergencies.
- (5) REMEMBER, A CONTRACT IS A LEGAL, BINDING DOCUMENT. Make certain you understand the contract. If not, spend a few extra dollars to have an attorney explain it to you.
- (6) OBTAIN A LIEN RELEASE FROM SUBCONTRACTORS. A mechanic's lien could be placed on your home by a subcontractor if the general contractor fails to pay his bills--EVEN THOUGH YOU HAVE PAID FOR THE WORK. The same thing holds true FOR SUPPLIERS OF CONSTRUCTION MATERIALS INCORPORATED INTO YOUR JOB... GET A LIEN RELEASE! Contractors could provide you with a lien release form. This form will essentially state that you have paid or have entered into an agreement to pay the subcontractor or supplier for their work, and that the subcontractor or supplier therefore relinquishes their lien rights.
- (7) DO NOT APPROVE PLANS OR BLUEPRINTS unless you understand them.
- (8) PLEASE BE SURE YOUR CHECKS are made out to the CONTRACTOR, NOT TO A SALESMAN.
- (9) Make sure and publish a "NOTICE OF COMPLETION" in the newspaper as soon as the work is done. No lien may be claimed 46 days after the notice requirement (among other things) is completed in accordance with HRS §507-43.

(CONTINUED ON PAGE 2)

- (10) Discuss with your contractor the possibility of withholding a portion of payment until the 45-day period for filing liens has expired. The amount withheld should be sufficient to cover all claims which might be filed. You and your contractor must agree on the amount.
- (11) If you have any questions about lien rights or other contract matters, DO NOT SIGN this or any contract. Review HRS Chapter 507 and/or contact an attorney first.

This form has been approved by the Contractors License Board; however, the Board suggests that a person become familiar with the laws and rules governing contractor's and mechanic's liens prior to entering into a contract with a contractor for new construction or improvements.

I (we) have discussed with the contractor the lien rights of those who will be supplying labor or materials to my (our) project as well as steps I (we) can take to reduce our lien liability. I (we) have read and understand this DISCLOSURE OF LIEN RIGHTS.

DATED this _____ day of _____, 20_____.

CONTRACTOR

OWNER

WITNESS

OWNER

Print Form

HB-69

Submitted on: 2/16/2019 2:10:39 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Amanda Frazier	Cornerstone Properties	Support	No

Comments:

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce

State Capitol, Room 329

Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Amanda Frazier, a property manager on the island of Oahu and I strongly support House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. This does not apply to electrical or plumbing work.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen

drastically. By having the handyman exemption only apply to labor costs and a modest increase to \$1,500 will help keep pace with current levels.

Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. It is also a problem for neighbor islands or rural areas, where there is a smaller pool of contractors to choose from.

To add to the problem, Hawai'i has also seen heavy rains and winds last year from Hurricane Olivia and Lane which affected Kaua'i, Maui and parts of Hawai'i Island and O'ahu. Properties damaged from debris and heavy winds would need repairs exceeding the \$1,000 limit from materials alone. This creates another obstacle for homeowners trying to recover from disasters.

Additionally, Act 195 passed in 2009, increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any increase in the handyman exemption.

Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

We should be keeping rentals safe for our tenants, and we simply cannot do so when contractors won't take the lower paying jobs, yet we can't use handymen due to the current law. This also affects our kupuna and neighbor island friends.

Mahalo for the opportunity to testify.

Amanda Frazier

Young Hawaii Homes, Inc.

2131 S. Beretania Street, # 204, Honolulu, Hawaii 96826-1405

Phone: (808) 941-4016 Fax: 942-7146

February 17, 2019

The Honorable Roy Takumi, Chair

Committee on Consumer Protection and Commerce

State Capitol, Room 329

Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 pm

Aloha Chair Takumi, Vice Chair Ichiyama and Members of the Committee,

I am a Realtor and I **strongly support House Bill 69**, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Handymen provide a valuable service by doing maintenance and minor jobs, but even minor jobs and touch up painting could exceed the \$1,000 threshold rather quickly, especially since materials were included in this figure. These projects are often too small for a licensed contractor to be willing to take on because their overhead is higher. Allowing our handymen to do these smaller jobs would allow tenants to get repairs done quicker.

We do require that our handymen have insurance, and from a consumer protection standpoint the \$1,500 handyman exemption limit would still be under the current small claims court limit. This will provide an outlet to the consumer should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify in strong support of this measure.

Laurene H. Young, (B), MPM RMP
Young Hawaii Homes, Inc.

HB-69

Submitted on: 2/18/2019 12:19:22 AM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen K. Cardoza	Individual	Support	No

Comments:

I am Karen Keanu Cardoza, Principal Broker/Owner of Windward Realty LLC. Windward Realty LLC has been managing single family homes and condo units in Kailua for over 40 years. I **strongly support HB 69** which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500, and makes this amount applicable only to the cost of labor.

Handypersons provide a valuable service whereby they are able to do maintenance and small repairs at a moment's notice. Windward Realty LLC prides itself on keeping its rental properties clean, safe, and habitable. The handypersons we employ reflect our commitment to quality workmanship and prompt, courteous service. The current \$1,000 limit on both materials and labor combined creates a tremendous burden on us and our owners, where matching quality replacement materials can take up a good portion of the \$1,000 limit. Our owners must personally pay for the materials separately from their account which takes time, is inconvenient for them and delays our scheduling of repairs. It is also difficult for several of our elderly owners who even in 2019 still do not/refuse to have access to a computer or mobile device.

This bill will enable us as property managers and our owners to be better stewards of the properties we so proudly offer our tenants.

Thank you for considering my testimony.

Please do not pass S.B. 767 - H.B. 69 because of the harm this will do to licensed contractors. Licensed contractors must have workers compensation, pay GET, follow HIOSH regulations, have written contracts, use a disclosure of lien rights form and include many things in their contract to protect the homeowner.

Handymen, who do not need to be licensed don't need any of the above.

We are concerned that amending the handyman designation from \$1,000.00 for labor and materials to \$1,500.00 for labor only will impact the licensed contractors who follow the law. Changing this dollar figure will allow handymen to do much bigger jobs and avoid the protection that a licensed contractor provides to a homeowner. A lot of our members do jobs that are well under \$1,000.00.

We have a total of 36 contractor members who do not want this bill passed.
Thanks for allowing us to voice our opinion.

Barbara Kono
Executive Director
Hawaii Wall & Ceiling Industry Association

Abbey Carpet of Maui

Maui Carpet & Drapery

25 S. Kahului Beach Road
Kahului, Maui, Hawaii 96732
CT #20460

Phone (808) 871-5825
Fax (808) 871-7451

February 18, 2019

Representative Roy Takumi, Chair
House Consumer Protection and Commerce Committee
Hawaii House of Representatives
Honolulu, Hawaii

Re: HB69 Relating to Contractors

Dear Chairman Takumi:

I am opposed to HB69 and would ask your consideration of my position.

I am a licensed flooring contractor on Maui and have been in business for 26 years. During that time, my company has done a lot of work with residents and general contractors. We had done some work with real estate agents, but not a lot.

The argument that finding a licensed contractor to do smaller jobs as a justification to raise the handyman limit is neither reasonable nor logical. My company has responded to every request for quotes and work and have not ignored nor exploited any request from any party. Over the past several years, we have had only a handful of job requests from realtors. We do not refuse jobs. I would be very pleased if we had more inquiries from realtors on Maui.

I understand that handymen are a vital part of our community and they provide needed services. However, being unlicensed, frequently uninsured, unregulated, unsupervised, noncompliant with payroll and work comp requirements, and frequently invisible, they should not be given a platform whereby they can legally do jobs beyond the existing dollar threshold because they would be taking jobs that constitute a large portion of our current jobs. With the higher threshold, licensed contractors would be at a disadvantage in competing for our bread and butter jobs.

Please reject HB69 in the interest of protecting the livelihood of our licensed subcontractors.

Mahalo nui loa for your consideration and support of this request.

Respectfully,

Warren Orikasa
President



1088 BISHOP STREET #408
HONOLULU, HI 96813
PH: (808) 597-1216

GREGG S. SERIKAKU
EXECUTIVE DIRECTOR

February 19, 2019

Representative Roy M. Takumi, Chair
Representative Linda Ichiyama, Vice-Chair
House of Representatives, Committee on Consumer Protection and Commerce
The Thirtieth Legislature, Regular Session of 2019

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

SUBJECT: HB69 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 HB69.

We firmly believe that raising the “handyman” exemption will further increase the harmful effects of unlicensed contracting. Currently, individuals who perform such “handyman” work are not required to have a contractors license to solicit and contract for their work, and this escalates the risk to the general public by increasing their exposure to potentially unqualified or substandard work. Unfortunately, many citizens don’t realize that hiring an unlicensed handyman exposes them to a variety of problems such as personal liability should an injury occur on their property, no guarantees of proper insurance or bonding, 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 lien disclosure notices, and the ability for consumer recourse under the Contractors Recovery Fund. Furthermore, licensing assures that the contractor has been approved by the State’s Contractors License Board as having the necessary technical knowledge and experience to perform the work covered by their license. Finally, licensed contractors are listed on the DCCA website, where the public has the ability to research a contractor’s complaint history, licenses, insurance, etc., none of which is available for the handyman.

Therefore, we respectfully request that this Committee consider the following:

1. Maintain the current handyman exemption project threshold of \$1,000.
2. Place an annual limit on the total amount of handyman work that can be performed by any individual.
3. Require any person who contracts and performs handyman work to duly register in a statewide database specifically created to track these individuals.

4. Require the handyman to provide a written and signed disclosure to each customer stating that they are not a licensed contractor under HRS 444, and that the protections provided to the consumer by the contractor licensing law are not afforded on handyman projects.

Thank you very much for this opportunity to testify.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Gregg S. Serikaku". The signature is written in a cursive, flowing style.

Gregg S. Serikaku
Executive Director



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



February 19, 2019

To: House Committee on Consumer Protection & Commerce
Honorable Chairman Roy Takumi & Vice Chairman Linda Ichiyama

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

Subject: HB 69 Relating to Contractors

Notice of Hearing

Date: Wednesday, February 20, 2019
Time: 2:00 PM
Place: Conference Room 329
State Capitol
415 South Beretania Street

Dear Chairs Takumi, Ichiyama 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 **strongly opposes** the intent and purpose of HB 69 raising the threshold under the contractor licensing law's handyman exemption to \$1,500 for the cost of labor and excluding the cost of materials, taxes and other items. First, removing the cost of materials, taxes and other item in effect raises the total exempt amount of any project to potentially double or more in excess of the \$1,500 this measure seeks. Secondly, this measure is unfair to other small licensed contractors who perform the majority of work in the same price range. They must be licensed, have oversight by DCCA and have minimum requirements like Liability Insurance, bonding, providing the home owner with their contractor's license and notifying the homeowner of their lien rights. Thirdly, this measure cites the increases in monetary sanctions for any violations of licensing laws. Because the Handyman is not licensed, it does not apply to them so currently, there is no additional burden.

Instead of simply increasing the dollar threshold and limiting it to labor only, this measure should include language to include the handyman as a separate contractors license class to have some oversight by the DCCA. At a minimum, there should be a formation of a registry for every handyman doing business in the State of Hawaii to provide a list of registered handyman for the public's knowledge. Payment into the Recovery Fund should be required so as to provide some recourse by the homeowners for any and all damages suffered. This affords the homeowner protection from predatory and unlicensed contractors.

Based on the above, ECAH **strongly opposes** the passage of HB 69 and encourages this committee to kill this bill.

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

To: House Committee on Consumer Protection & Commerce
Hearing on HB 69
2/20/2019

I am a Drywall Contractor who has been doing business in The State of Hawaii since 1979. We are not a large Contractor but manage to keep between 15 to 20 men employed. I am concerned about HB 69, which is being proposed by Realtors to amend the Handyman designation, from having the ability to do \$1,000.00 labor and material, to \$1,500.00 labor only. Comments have been made that they find it difficult to get Contractors to do small jobs. Presently my Company still do work from upwards of \$160.00. This argument is just another tactic being used to having the ability to being able to utilize handyman to their advantage. We as Contractors, provide work for many families, and are required to have Workman Comp Insurance, Liability Insurance, and the Homeowner has a recourse, should any problems arise thru the Contractors Recovery Fund. If the so-called handyman has a desire to increase their scope of work, I feel that they should be subject to the same requirements that we Contractors are bound to. As they desire to increase their ability to do more work, what recourse does a homeowner have, should there be unsatisfactory work. The issue should be of fairness. I have and continue to contribute taxes, employment for my workers and am totally opposed to HB 69. Should you have any question, feel free to call me,

Clyde Takatsuki;
Owner
Guy's Superior Interiors Inc.
808 306-7420.

HB-69

Submitted on: 2/18/2019 1:02:05 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Regina Duncan	Individual	Support	No

Comments:

The Honorable Roy M. Takumi, Chair
House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, Hawaii 96813
RE: House Bill 69, Relating to Contractors
HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,
I am Gina Duncan, R (PB) and current President for the Realtors Association of Maui
and I strongly support House Bill 69, which raises the threshold
under the contractor licensing law's handyman exemption from \$1,000 to \$1,500
and
makes it applicable only to the cost of labor.
Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for
any
construction work that costs more than \$1,000 or that requires a building permit.
However, the "handyman exemption" allows the hiring of a person not licensed as a
contractor if the total cost of the project, including labor, materials, and all other costs, is
equal to or less than \$1,000. This does not apply to electrical or plumbing work.
**The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is
over 27
years ago. Since then, the cost of living, housing and inflation have all risen
drastically.
By having the handyman exemption only apply to labor costs and a modest
increase to
\$1,500 will help keep pace with current levels.**
Handymen provide a valuable service by doing maintenance and minor jobs, such as
installing a screen door, touching up paint, or repairing a gate for homeowners. These
are
projects that are often too small for a licensed contractor to be willing to take on
because
there overhead is higher. It also a problem for neighbor islands or rural areas, where
there
is a smaller pool of contractors to choose from.
To add to the problem, Hawai'i has also seen heavy rains and winds last year from

Hurricane Olivia and Lane which affected Kaua'i, Maui and parts of Hawai'i Island and O'ahu. Properties damaged from debris and heavy winds would need repairs exceeding the \$1,000 limit from materials alone. This creates another obstacle for homeowners trying to recover from disasters.

Additionally, Act 195 passed in 2009, increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any increase in the handyman exemption.

Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify.

Aloha Gina Duncan, R (PB)
Fine Island Properties



**TESTIMONY TO THE HOUSE COMMITTEE
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
State Capitol, Conference Room 329
415 South Beretania Street
2:00 PM**

February 20, 2019

RE: HOUSE BILL NO. 69, RELATING TO CONTRACTORS

Chair Takumi, Vice Chair Ichiyama, and members of the committee:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is **opposed** to H.B. 69 which proposes amend Chapter 444-2 HRS to increase the cap for work performed by an unlicensed individual from "an aggregate of \$1,000.00" to "not more than \$1,500.00 for labor only."

The "handyman exemption" has been used to allow for unlicensed individuals to perform work up to a certain amount. Any work exceeding that amount would need to be performed by a licensed contractor. The proposed bill would allow for an unlimited amount of the work to be charged to "... materials, taxes and other items" and could significantly exceed the current cap.

Rather than having to continuously revisit the amount of unlicensed work, perhaps the legislature should consider doing away with the license requirements and allow everyone to compete on a level playing field.

We are opposed to H.B. 69, and appreciate the opportunity to express our views on this matter.

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HB-69

Submitted on: 2/16/2019 4:09:18 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Hawaii AOR	Individual	Support	No

Comments:

Aloha

I am a senior citizen and at an age where there are a lot of things that need fixing on my home that I shouldn't be doing myself. The kinds of things I need done are such that no licensed contractors will even come out and look. They simply aren't interested in small jobs.

My only option is to use one of our neighborhood "handymen". There's a problem, however. Because of the current level of the "handyman exemption", I often have to break the law in hiring one. The current rule has a limit of only \$1,000 for labor and materials combined before both the handyman and I are breaking the law. This is simply too low and needs to be raised!



**Hawai'i
Association of
REALTORS®**



| 808-733-7060



| 808-737-4977



| 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce

State Capitol, Room 329

Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Ken Hiraki Government Affairs Director, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 9,500 members. HAR **strongly supports** House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. This does not apply to electrical or plumbing work.


The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen drastically. By having the handyman exemption only apply to labor costs and a modest increase to \$1,500 will help keep pace with current levels.


Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. It also a problem for neighbor islands or rural areas, where there is a smaller pool of contractors to choose from.






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To add to the problem, Hawai'i has also seen heavy rains and winds last year from Hurricane Olivia and Lane which affected Kaua'i, Maui and parts of Hawai'i Island and O'ahu. Properties damaged from debris and heavy winds would need repairs exceeding the \$1,000 limit from materials alone. This creates another obstacle for homeowners trying to recover from disasters.

Additionally, Act 195 passed in 2009, increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any increase in the handyman exemption.

Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify.





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

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DRYWALL TAPERS
FINISHERS
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**TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
THIRTIETH LEGISLATURES
REGULAR SESSION OF 2019**

TIME/DATE: 2:00 P.M. – WEDNESDAY, FEBRUARY 20, 2019

**TESTIMONY IN OPPOSITION TO HOUSE BILL NO. 69 – “RELATING TO
CONTRACTORS.”**

**TO CHAIR TAKUMI AND MEMBERS OF THE HOUSE
COMMITTEE ON CONSUMER PROTECTION AND COMMERCE:**

The International Union of Painters and Allied Trades, District Council 50 (DC50), appreciates the opportunity to testify in OPPOSITION to House Bill No. 69 - “RELATING TO CONTRACTORS.” My name is Lorna Woo, Director of Government Affairs, District Council 50. DC50 is an organization that represents five (5) local 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 Worker Local Union 1944 – approximately 2000 members statewide.

DC50 stands in opposition to House Bill No. 69. We strongly believe that by increasing the “handyman” threshold amount to \$1,500 for labor only would not only take away work from licensed contractors but would create a public health and general safety risk. Currently, under Chapter 444 of the Hawaii Revised Statutes, a handyman is not required to obtain a contractor license to perform work valued at a \$1,000 or less which is inclusive of labor, material, taxes, and all other items. The function of a handyman is to perform common and innocuous repairs, such as mending a broken mailbox that has

fallen over; repairing a small hole in the drywall; or installing a new window screen, etc. By increasing the handyman threshold to \$1500, for the cost of labor and by not putting a cap on cost of material, this would now allow the handyman to take on larger jobs for which they do not have the skills, license or expertise to perform the work.

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 are often 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 their projects.

According to a Pacific Business News publication, Hawaii's largest city had the forth highest construction cost in the world, according to recent reports by Rider Levett Bucknall.¹ San Francisco was ranked second, however, and yet California has a handyman threshold that is half of Hawaii's threshold.

In Washington, D.C., according to the Department of Consumer and Regulator Affairs, North American Industry Classification System (NAICS - Code 236118) contractors conducting repairs, remodeling, alteration conversion or modernization of, or addition to, residential property, etc., are required to apply to become a Home Improvement Contractor. The applicant is required to provide the following: 1. \$288.20 payment; 2. Application – Business Licensing Division (202) 442-4311, mybusiness.dc.gov; 3. Certificate of Liability Insurance; 4. Certificate of Occupancy/Home Occupation Permit, Office of Zoning (202) 442-4576, dcra.dc.gov/zoning; 5. Corporate Registration; Corporation Division, (202) 442-4432,

¹ Janis L. Magin – Real Estate Editor, Pacific Business News, January 23, 2019, 7:25 p.m. EST, <https://www.bizjournals.com>

corponline.dhra.dc.gov; 5. Home Improvement Contract Sample; 6. Home improvement Salesperson Designation Letter; 7. Police Criminal History Report; 8. Surety Bond (\$25,000) and 9. Tax Registration (FR-500), Office of Tax and Revenue, (202) 727-4829, mytax.dc.gov.

For these reasons illustrated above, we respectfully recommend that the handyman threshold stay at \$1000, and further recommend that the committee consider applying the NAICS - Code 236118 classification to anyone conducting repairs, remodeling, alteration conversion or modernization of, or addition to, residential property, all as may be more particularly defined in the regulation. Requiring handymen to register with the state will greatly increase protection for the public.

Thank you for the opportunity to provide testimony on House Bill 69.

HEARING BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE
February 20, 2019
2:00 p.m.
Room 329

Re: House Bill 69
Relating To Contractors

- Painting Industry of Hawaii Labor Management Cooperation Trust Fund
- Hawaii Tapers Market Recovery Trust Fund
- Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889
AFL-CIO Stabilization Trust Fund
- Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund

Dear Chair Takumi and Members of the Committee:

Thank you for this opportunity to submit testimony on behalf of the Painting Industry of Hawaii Labor Management Cooperation Trust Fund, Hawaii Tapers Market Recovery Trust Fund, Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund, and Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund in **strong opposition** to House Bill 69.

This measure raises the threshold for the handyman exemption found in Hawaii Revised Statutes §444-2(4) from \$1,000 to \$1,500 and makes the threshold applicable only to the costs of labor.

As an initial matter, it may appear at first glance that the threshold will only be increasing by \$500 under this bill. This is very deceptive, however, as basing the threshold solely on labor costs will actually result in far more unlicensed work that can legally be performed now. For example, if labor and material costs are equal, the effect of this measure will be to allow unlicensed work on a project with a total value of \$3,000, or three times what is currently allowed. This measure therefore represents a significant increase in unlicensed work, not a minor increase.

Any increase in the handyman threshold, however slight, will result in increased unlicensed activity and a greater risk of harm to homeowners. Unlicensed contractors taking advantage of the handyman exception are not required to maintain liability or workers compensation insurance which exposes the homeowner to potential lawsuits arising out of injury or property damage. Moreover, if the unlicensed contractor fails to complete the job or performs unacceptable work, the homeowner will not be able to file complaints with the Contractors License Board or seek recovery from its recovery fund. Again, any increase in the threshold increases the risk of harm to consumers.

We strongly disagree that the threshold should be increased simply because of inflation or increased costs in related to construction. Even in today's market, considerable amounts of work can be done under the current threshold of \$1,000. This is especially so for specialty contractors such as painters, or floor layers.

We also ask the Committee to take notice that, in other states, the handyman threshold is less than in Hawaii and has not changed in many years despite increased material and labor costs. The State of California, for example, has a \$500 handyman threshold, which has been unchanged since 1998. A very small threshold is consistent with the whole purpose of the

handyman exception, which is to allow unlicensed construction work that is of a casual, minor, or inconsequential nature, not the completion of whole projects or substantial portions of a project.

The recent increase in penalties for unlicensed work is no reason to increase the handyman threshold. The increase in fines simply has no relation to the question of whether more unlicensed construction activity should be tolerated. By way of example, in California, the penalty for a first offense for unlicensed contracting is up to six months in jail and/or a \$5,000 fine and possibly more in administrative fines. Thus, despite having a threshold half of Hawaii's current threshold, California penalties are just as stringent as in Hawaii. Moreover, the state of California routinely conducts statewide undercover operations to combat unlicensed handyman work that is in excess of the allowed threshold.

Equally unconvincing is the unsubstantiated claim that leaving the threshold unchanged will result in an increased risk of injury to senior citizens because they will be forced to attempt dangerous construction repairs themselves. We are aware of no instance where this has ever happened in the past, and would ask proponents of the bill to come forward with some evidence to substantiate and quantify these ridiculous claims.

Finally, increasing the threshold has a significant, negative impact on licensed contractors, and smaller licensed contractors in particular. Many contractors in the finishing trades, and their union employees, would be adversely affected by an increase in the threshold because it would make them less competitive against the unlicensed handyman who do not have to bear the substantially greater costs of being a licensed contractor. Simply put, it is not fair to all of the contractors who take the time and effort to obtain and maintain their license to face increased competition from unlicensed handymen.

For all of these reasons, we ask that the Committee defer this measure. Thank you again for this opportunity to testify in strong opposition to this measure.

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Jason Economou, Government Affairs Director, speaking on behalf of the REALTORS Association of Maui, and its over 1,600 members. RAM **strongly supports** House Bill 69, which increases the threshold under the contractor licensing law's "handyman exemption" from \$1,000 to \$1,500, and makes it applicable only to the cost of labor.

As it stands now, Hawaii Revised Statutes Chapter 444 requires an individual to hire a licensed contractor for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows for the hiring of an individual not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. The "handyman exemption" is an excellent idea, but the limit of \$1,000 is far too low.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen drastically. By having the handyman exemption only apply to labor costs, a modest increase of the threshold amount to \$1,500 will keep pace with current levels.

Handymen provide a valuable service by conducting maintenance and minor jobs that are often too difficult for an untrained homeowner, but too small for a licensed contractor to be willing to take on due to higher overhead costs. Moreover, handymen are an invaluable resource in rural areas, where there is a smaller pool of contractors available to choose from. In rural areas, handymen and residents alike would greatly benefit from these changes to the handyman exemption.

To make matters more pressing, Hawaii continues to see high winds and heavy rain due to climate change, which has caused an increase in property damage across the state. Property damage from debris and heavy winds often requires repairs exceeding the \$1,000 threshold for materials alone. This creates yet another obstacle for homeowners trying to recover from disaster. Raising the limit, even slightly, and not having the limit apply to materials would greatly benefit Hawaii residents.

Additionally, Act 195 passed in 2009, increased monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second

offense. This represents a potential five-fold increase in penalties without any increase in the handyman exemption. Logic supports increasing the handyman exemption now.

Finally, an increase in the handyman exemption will not negatively impact consumer protection, as consumers will still have the small claims court as an outlet should they believe that a handyman's work was not up to par.

Mahalo for considering my testimony.

Jason A. Economou
Government Affairs Director
REALTORS Association of Maui



National Association of Residential Property Managers

NARPM – Oahu Chapter, 95-1030 Meheula Pkwy., #894569, Mililani, HI 96789

Phone: (808) 469-5336 Fax: (808) 623-9496 www.oahu.narpm.org

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Bradley Isa, S

Vice President

Elizabeth Ishimitsu, S

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2014

Elaine Saigusa, B, RMP

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Scherry Webb, B

2012

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2011

Laurene Young, B, MPM RMP

2010

Darlene Higa, S, MPM RMP

2009

Prim Leong-Nakamoto, S, RMP

2008

Richard Vierra, B, RMP

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2006

Catherine Matthews, B

2005

Carl Frazier, B, RMP

2004

Bill Ramsey, B

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce

State Capitol, Room 329

Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Bradley Isa, President of the National Association of Residential Property Managers (NARPM) Oahu Chapter, representing over 225 residential property managers on Oahu, who collectively represent thousands of home owners. NARPM Oahu **strongly supports** House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes this amount applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, *including labor, materials, and all other costs, is equal to or less than \$1,000*. This does not apply to electrical or plumbing work.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen dramatically. Allowing the handyman exemption of \$1,500 apply only toward labor costs will help home owners perform proper repairs without sacrificing on materials quality.

Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. Handymen are able to respond quickly to repair requests which allow landlords and property managers to fulfill their Landlord-Tenant code requirements to make repairs in a timely manner and provide a safe, healthy premises for their tenants. Handymen also fill a need on the neighbor islands and in rural areas where there is a smaller pool of contractors to call upon.

Additionally, Act 195 passed in 2009 increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any matching increase in the handyman exemption.

Consumer protection is not sacrificed with the adoption of House Bill 69 as the consumer still retains the right to file a complaint in small claims court should they believe that a handyman's work is not satisfactory.

Various Names from International Union of Painters and Allied Trades – District Council 50 in
OPPOSITION HB 69

Rendell Banis	Reynaldo Ganade
Jeffery Kim	Chazden McCabe
Benjamin Macalino	Rodolfo Perez
Robert Mitsunaga	Bruce Yamasaki
Harlan Imori	Po'okela Banis-Chun
Jensen Pao	Pele Lui Yuen
Illegible Signature	Dwayne Arelliano
Mario Manrique	John Frigillana

HB-69

Submitted on: 2/16/2019 3:14:39 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Roy Vandoorn	Individual	Support	No

Comments:

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Roy Vandoorn from Maui and I **strongly support** Senate Bill 767, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Lets be honest with each other. Liciensed contractors are not interested in \$1,500 projects, they are looking for the \$10,000 and greater projects. So the only ones left to do this work are the handymen and handywomen. If they do this work today, they are breaking the law.

What is a homeowner to do? Do it themselves? Do we really think that our seniors should be climbing on ladders, just because we have an unreasonably low limit to restrict handymen and handywomen?

The current \$1,000 restriction has not been adjusted since 1992. Using the U.S. inflation numbers since 1992, this number should be raised to \$1,821.85. Also this bill removes materials from the equation which makes sense. A handyperson can install a less expensive faucet, but not a more expensive faucet? You realize what happens now is the consumer buys the materials and the handyperson only installs them, so in reality nothing is changing except for upping the number to by 50% rather than by 82% which it should be based on inflation.

This bill only helps our citizens. Contractors are unwilling to do the work, the limit was set 27 years ago and never raised, and the cost of the materials should not be considered because consumers are already getting around this restriction by buying their own materials.

Please vote to pass this bill, it is the right thing to do. Everyone wins and no one loses.

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Kathy Davey and I **strongly support** House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. *This does not apply to electrical or plumbing work.* For this type of work a licensed contractor needs to be hired. I understand this, as this is important for health and safety reasons. However, what if I would like, for example, to have an exterior door replaced? Most contractors do not want to come to your home and see what you need and then pick it up for you or go with you to Home Depot to make sure you select an appropriate door and then bring it to your home and hang it. The job is too small for them. The cost of an exterior door can easily be over \$700, and with the consultation, additional materials and getting the door to your home you are already approaching the \$1,000 limit. This is the type of work this bill would allow, and it fills a niche when licensed contractors are not available because they are doing larger jobs, or they are not interested.

Handymen provide a valuable service by doing maintenance and minor jobs, such as the above, for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify.

HB-69

Submitted on: 2/18/2019 9:07:34 AM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeremy Agpalza	Individual	Oppose	No

Comments:

I oppose this bill. This will open doors for fly by night "contractors" who don't pay taxes and proper insurances to protect home owners and businesses. This is a really bad idea and will put hard working, tax paying law abideing contractors out of business.

HB-69

Submitted on: 2/18/2019 7:07:03 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Margit Tolman	Individual	Support	No

Comments:

The Honorable Roy M. Takumi, Chair

RE: House Bill 69, Relating to Contractors

Aloha Chair Takumi, Vice Chair Ichiyama and Members of the Committee,

My name is Margit Tolman, property manager on Maui for more than 20 years.

I strongly support House Bill 69.

The handyman exemption has not been raised for over 20 years and does not reflect the increased cost of living, housing and inflation.

Handymen are providing an important service, small repair jobs licensed contractors are not willing to take because of high overhead or booked out for more than a month.

I never faced so many challenges getting repairs done in timely manner. Repairs are important for health and safety.

An increase of the handyman exemption to \$ 1,500 will be a great benefit to our community.

Mahalo for your consideration,

Margit Tolman

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Michael Bush and I **strongly support** House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. This does not apply to electrical or plumbing work.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen drastically. By having the handyman exemption only apply to labor costs and a modest increase to \$1,500 will help keep pace with current levels.

Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. It is also a problem for neighbor islands or rural areas, where there is a smaller pool of contractors to choose from.

To add to the problem, Hawai'i has also seen heavy rains and winds last year from Hurricane Olivia and Lane which affected Kaua'i, Maui and parts of Hawai'i Island and O'ahu. Properties damaged from debris and heavy winds would need repairs exceeding the \$1,000 limit from materials alone. This creates another obstacle for homeowners trying to recover from disasters.

Additionally, Act 195 passed in 2009, increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any increase in the handyman exemption.

Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify.

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Marilyn S. Griffin from Maui and I **strongly support** House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. This does not apply to electrical or plumbing work.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen drastically. By having the handyman exemption only apply to labor costs and a modest increase to \$1,500 will help keep pace with current levels.

Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. It is also a problem for neighbor islands or rural areas, where there is a smaller pool of contractors to choose from.

To add to the problem, Hawai'i has also seen heavy rains and winds last year from Hurricane Olivia and Lane which affected Kaua'i, Maui and parts of Hawai'i Island and O'ahu. Properties damaged from debris and heavy winds would need repairs exceeding the \$1,000 limit from materials alone. This creates another obstacle for homeowners trying to recover from disasters.

Additionally, Act 195 passed in 2009, increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any increase in the handyman exemption.

Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify.

Marilyn S. Griffin

List of Names in OPPOSITION for HB 69

John Friglilana	Mario Manrique
Dwayne Arelliano	Unidentifiable
Pele Lui Yuen	Jenson Pao
Po'okela Banis-Chun	Harlan Imori
Bruce Yamasaki	Robert Mitsunaga
Rodolfo Perez	Benjamin Macalino
Chazden McCabe	Jeffery Kim
Reynaldo Gande	Rendell Banis

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

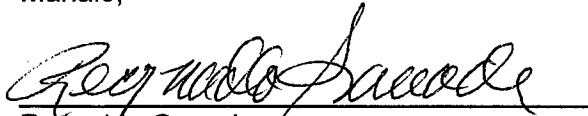
My name is Reynaldo Ganade and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Reynaldo Ganade

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

My name is Rendell Banis and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,


Rendell Banis

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

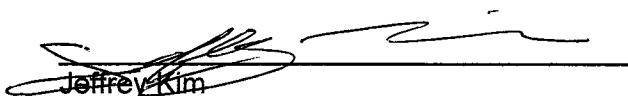
My name is Jeffrey Kim and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,


Jeffrey Kim

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

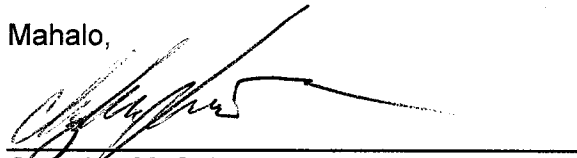
My name is Chazden McCabe and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,


Chazden McCabe

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

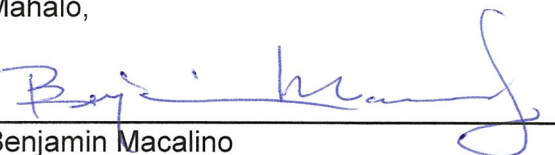
My name is Benjamin Macalino and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,


Benjamin Macalino

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

My name is Rodolfo Perez and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Rodolfo Perez

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

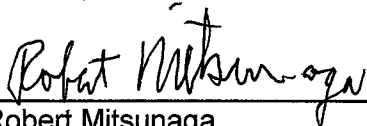
My name is Robert Mitsunaga and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Robert Mitsunaga

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

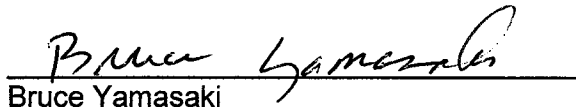
My name is Bruce Yamasaki and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,


Bruce Yamasaki

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

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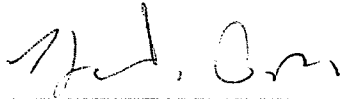
My name is Harlan Imori and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Harlan Imori

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329
TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

My name is Po'okela Banis-Chun and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Po'okela Banis-Chun

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

My name is Jensen Pao and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Jensen Pao

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

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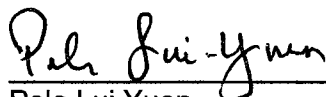
My name is Pele Lui Yuen and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Pele Lui Yuen

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

My name is Sean Cordero and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



(Name)

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:


My name is John Frigillana and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



John Frigillana

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:

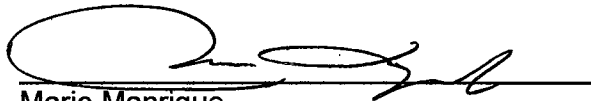
My name is Mario Manrique and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,



Mario Manrique

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

THIRTHIETH LEGISLATURE
Regular Session of 2019

HEARING DATE: Wednesday, February 20, 2019 – 2:00 p.m., Room 329

TESTIMONY ON HOUSE BILL NO. 69 – “RELATING TO CONTRACTORS.”

TO REPRESENTATIVE ROY TAKUMI, CHAIR AND MEMBERS OF THE COMMITTEE:


My name is Dwayne Arelliano and I am a proud union member. I stand in **STRONG OPPOSITION** to House Bill 69, which raises the threshold under the contractor handyman licensing law exemption from \$1,000 to \$1,500.

As it is, a handyman can do way too much work in Hawaii without a license. Increasing the threshold will only make things worse. I believe that it would jeopardize the health and welfare of the consumer and especially for our unsuspecting kupuna.

I am strongly opposed to this bill and feel that increasing the exemption is not the right solution. If a handyman wants to take on larger jobs, then the individual should apply for a contractor license.

For these reasons, I am opposed to this bill and I urge all of you to vote down this terrible bill.

Mahalo,


Dwayne Arelliano



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Consumer Protection and Commerce
Wednesday, February 20, 2019 at 2:00 P.M.
Conference Room 329, State Capitol**

RE: HB 69, RELATED TO CONTRACTORS

Chair Takumi, Vice Chair Ichiyama, and members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes** H.B. 69 which proposes to amend Chapter 444-2 HRS to increase the cap for work performed by an unlicensed contractor from "an aggregate of \$1,000" to "not more than \$1,500 for labor only."

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The "Handyman" exemption has been used to allow for unlicensed contractors to perform work up to a certain amount. Any work exceeding that amount would need to be performed by a licensed contractor. The proposed bill would allow for an unlimited amount of the work to be charged to "materials, taxes and other items" and could significantly exceed the current cap.

Rather than having to continuously revisit the amount of unlicensed work, perhaps the legislature should consider doing away with the license requirements and allow everyone to compete on a level playing field.

Thank you for the opportunity to testify.

HB-69

Submitted on: 2/19/2019 3:31:38 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Milo Spindt	Individual	Support	No

Comments:

It is very difficult to find licensed contactors to do small repair jobs for clients selling, buying and renting their properties. This would allow us to use handmen for the type of small projects that contractors don't want to bid on.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 220-8892

February 19, 2019

The Honorable Roy Takumi, Chair
The Honorable Linda Ichiyama, Vice Chair
and members
House Committee on Consumer Protection
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: OPPOSITION for HB69, Relating to Labor

Dear Chair Takumi, Vice Chair Takayama, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Laborers' International Union of North America, Local 368; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; 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 Alliance is in opposition to this bill because of the potential for abuse that comes with such a major change in the law. Unlicensed construction activity is already occurring with the exemption at \$1,500, and by widening the exemption to apply only to labor, it will only spur more fraud and manipulation.

Licensed contractors must carry general liability and workers compensation insurance. These policies provide protection to 3rd parties who can be injured in the event of shoddy construction and can compensate workers who are injured on the job. Unlicensed "handymen" are not required to show proof of insurance and therefore the work they perform leaves the homeowner (and their property) as the source of compensation for injured third parties and workers.

Each year Regulated Industries Complaints Office (RICO) processes **HUNDREDS** of complaints about unlicensed contractors. Many of these complaints are about unlicensed contractors who have performed shoddy work, or these "handymen" who have taken payment and then do not perform any work at all.

Therefore, we humbly ask for your committee's favorable action on HB69.

Mahalo,



Nathaniel Kinney
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org

HB-69

Submitted on: 2/19/2019 4:37:12 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Gerald Peters	Individual	Oppose	Yes

Comments:

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

RE: HB 69 RELATING TO CONTRACTORS. Weds Feb 20, 2019 Room 329 2 pm

Testimony of Gerald Peters- Fixit Fridays Home Improvement Live on The Mike Buck Show, & Pres/Gen Mgr of HPS Services, Inc. & HPS Const Services, Ltd.

Honorable Chair Takumi, Vice Chair Ichiyama, and Members:

I am Content Producer and Co-Host –680 live, one hour, news shows about the home improvement industry: Fixit Fridays Home Improvement on The Mike Buck Show, Salem Communications, KHNR AM 690 (12 years); President/Gen Mgr HPS Construction Services, Ltd./HPS Services, Inc. I am testifying in **strong opposition**.

This proposal Raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor. **It is fatally ill conceived and flawed** because first of all it creates a nonsensical, supposed, financial nexus between the level of penalties for illegal unlicensed contracting, and due to realtor lobbying makes the faulty presumption that Licenses Handyman Services are not widely available.

Plus this legislation will further open the door to widespread increased cheating of the materials versus labor components of most projects. It is, in effect, going to raise the threshold not from \$1000 to \$1500, but in reality from \$1000 to \$4000 or \$5000. Excluding materials is a license to further steal from homeowners and the state.

This legislation 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 \$50 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.
- Damage the Counties permit filing systems and purposes.
- California has **reduced** the exemption to \$500 and along with other state is conducting sting operations to nab these carpetbagger, non tax reporting, non tax paying outliers.

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 noncapable, 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.

Please think again. Hold this bill. Thank you,

February 20, 2019

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am a Realtor and Homeowner and I **strongly support** House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. This does not apply to electrical or plumbing work.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen drastically. By having the handyman exemption only apply to labor costs and a modest increase to \$1,500 will help keep pace with current levels.

Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. It is also a problem for neighbor islands or rural areas, where there is a smaller pool of contractors to choose from.

To add to the problem, Hawai'i has also seen heavy rains and winds last year from Hurricane Olivia and Lane which affected Kaua'i, Maui and parts of Hawai'i Island and O'ahu. Properties damaged from debris and heavy winds would need repairs exceeding the \$1,000 limit from materials alone. This creates another obstacle for homeowners trying to recover from disasters.

Additionally, Act 195 passed in 2009, increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any increase in the handyman exemption.

Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify.

Jennifer L. Andrews, RB-18874



HAWAII REGIONAL COUNCIL OF CARPENTERS

House Committee on Consumer Protection & Commerce

The Honorable Roy M. Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair

Wednesday, February 20, 2019

2:00 PM, State Capitol Room 329

HB69 – Relating to Contractors

Statement of the Hawaii Regional Council of Carpenters – Opposition to HB69

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

The Hawaii Regional Council of Carpenters is opposed to HB69, relating to contractors. The bill proposes to raise the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

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 \$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."

Furthermore, by making these changes, HB69 could create two immediate problems, which would subvert the intention of the existing narrow, limited handyman exemption:

- An unscrupulous handyman could both manipulate the cost of materials and depress the "labor" side of the invoice, meaning the handyman could take on much larger projects than the exemption is intended for.
- A group of handymen could get together and partition out a large project among themselves, with each receiving \$1500 for labor. This would cut into the work of legitimate small-scale contractors, particularly on work like a small kitchen or family room renovation, especially when they could manipulate the reported cost of materials and labor to meet the \$1500 limit as illustrated above.

Thank you for the opportunity to express these concerns about HB69. We request that your committee defer the bill.

STATE HEADQUARTERS & BUSINESS OFFICES

OAHU: 1311 Houghtailing Street, Honolulu Hawaii 96817-2712 • Ph. (808) 847-5761 Fax (808) 440-9188

HILO OFFICE: 525 Kilauea Avenue, Room 205, Hilo, Hawaii 96720-3050 • Ph. (808) 935-8575 Fax (808) 935-8576

KONA OFFICE: 75-126 Lunapule Road, Kailua-Kona, Hawaii 96740-2106 • Ph. (808) 329-7355 Fax (808) 326-9376

MAUI OFFICE: 330 Hookahi Street, Wailuku, Maui 96793-1449 • Ph. (808) 242-6891 Fax (808) 242-5961

KAUAI OFFICE: Kuhio Medical Ctr Bldg., 3-3295 Kuhio Hwy, Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911

HB-69

Submitted on: 2/19/2019 11:47:54 PM

Testimony for CPC on 2/20/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Glennon T. Gingo	Individual	Support	No

Comments:

To: Consumer Protection and Commerce Committees:**Aloha Committee members****SUPPORT for this Bill is based on the following facts:**

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. This does not apply to electrical or plumbing work.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen drastically. By having the handyman exemption only apply to labor costs and a modest increase to \$1,500 will help keep pace with current levels.

Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. It is also a problem for neighbor islands or rural areas, where there is a smaller pool of contractors to choose from.

Thanks for your consideration.

From the Big Island

Aloha,

Glennon T. Gingo



P.O. Box 22597, Honolulu, HI 96823-2597
808-479-6825
pdcaofhawaii@gmail.com

February 20, 2019

Testimony To: House Committee on Consumer Protection & Commerce
Representative Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce
Representative Linda Ichiyama, Chair

Presented By: Dean M. Nagatoshi, Executive Director

Subject: H.B. 69 - RELATED TO CONTRACTORS.

Chair Takumi, Chair Ichiyama and Members of the Committee:

My name is Dean M. Nagatoshi, Executive Director of the Painting and Decorating Contractor Association of Hawaii (PDCA of Hawaii). PDCA of Hawaii represents painting Contractors, material and equipment suppliers and affiliated companies that represent, support and assist the Painting Industry in Hawaii.

The Contractors in PDCA of Hawaii, have expended great effort and cost to make sure that their workers are qualified to perform their work with the highest standards to benefit the public. By increasing the handyman exemption, unqualified workers will be allowed to circumvent the training required to obtain the knowledge and skills to deal with the hazards related to the painting industry. Also, since there is no license requirement to become a handyman, the public will have no recourse should sub-standard work be performed.

PDCA of Hawaii respectfully oppose H.B. 69 and its intent to increase the handyman exemption and make the exception applicable only to the cost of labor.

Thank you for your time and attention and for allowing me the opportunity to testify.



February 19, 2019

TO: House Committee on Consumer Protection & Commerce
FROM: Blake Parsons, Executive Director
SUBJECT: Opposition to *H.B. 69 - Relating to Contractors*

Chair Takumi and Members of the Committee:

My name is Blake Parsons. I am the Executive Director of the Hawaii Chapter of the Sheet Metal & Air Conditioning Contractors' Association (SMACNA Hawaii), a trade association that represents unionized sheet metal and air conditioning contractors across the state.

SMACNA Hawaii **opposes H.B. 69.**

Increasing the "handyman" exemption from \$1,000 to \$1,500 and removing materials, taxes and all other items from that aggregate amount promotes unlicensed contracting and puts people in harm's way by exposing them to unsafe workmanship.

Homeowners and small businesses who utilize these handymen are at the most risk for being harmed by contractors not properly trained or licensed, especially for projects of this size. By opening the door to larger projects for unlicensed handymen, the State would be exposing these people to greater liability.

Our contractors have completed a rigorous contractor licensing process, secured insurance and bonding, and provided written contracts, among many other assurances to the consumer that their quality work will be backed by the letter of the law. By increasing the "handyman" exemption, the State would effectively promote the idea that the aforementioned assurances are not needed for substantial projects - this is simply NOT in the best interest of the consumer or the general public.

It is never in the interest of the consumer to use an unlicensed contractor and we respectfully request that your committee actually reduce or eliminate the "handyman" exemption altogether..

Therefore, **we oppose H.B. 69.** I appreciate the opportunity to submit testimony to your committee.

Mahalo,

A handwritten signature in black ink, appearing to read "Blake Parsons".

Blake Parsons
Executive Director

Testimony of
Christopher Delaunay, Government Relations Manager
Pacific Resource Partnership

House Committee on Consumer Protection & Commerce
Roy M. Takumi, Chair
Linda Ichiyama, Vice Chair

HB 69 Relating to Contractors

Wednesday, February 20, 2019
2:00 P.M.
Conference Room 329

Aloha Chair Takumi, Vice Chair Ichiyama, and members of the Committee:

Pacific Resource Partnership (PRP) is **opposed** to HB 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Raising the threshold of the handyman's exemption will open the door for increased unlicensed activity in the construction industry and pose a greater risk to homeowners. More specifically, we would like to raise the following concerns:

- Unlicensed individuals are not contractors—they have not met the Contractors License Board's experience, examination, and insurance requirements;
- There are no guarantees that unlicensed individuals are properly trained or possess the necessary education or experience needed to ensure quality work and the overall safety of the consumer or homeowner;
- Unlicensed individuals are not likely to have worker's compensation or liability insurance, which could put the homeowner's property at risk if anyone is injured on the job or if there is any damage while the work is being done; and
- The homeowner cannot recover damages sustained by an act, representation, transaction, or conduct of an unlicensed individual from the Contractor's Recovery Fund (The Fund is only available to homeowners who hire a licensed contractor).

Additionally, we are concerned that unscrupulous handymen will find ways to take on much larger projects than the exemption is intended for. For example, unscrupulous handymen could:

- Inflate the cost of materials and depress the "labor" side of the invoice in order to work on projects exceeding the \$1,500 limit; and
- A group of handymen could get together and partition out a large project among themselves, with each receiving \$1,500 for labor. This would cut into the work of legitimate small-scale contractors.

Thank you for this opportunity to express our concerns about HB 69. We request that your committee defer this bill.





LiUNA!

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

COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

NOTICE OF HEARING

DATE: Wednesday, February 20, 2019
TIME: 2:00 p.m.
PLACE: Room 329

**TESTIMONY IN OPPOSITION TO HB69 RELATING TO THE CONTRACTORS
LICENSE BOARD**

ALOHA COMMITTEE CHAIR TAKUMII, VICE-CHAIR ICHIYAMA,

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. We are **OPPOSED to HB69** as we feel this bill would create the potential for abuse and skirt any protections that a legitimate contractor's license would afford a consumer.

While we acknowledge the existing exemption to the contractor's licensing law, we feel that any increase in the amount allowed for labor costs alone would only serve to increase the potential for harm to the consumer.

Contractor licensing is there not only to regulate contractors in the work and scopes of work they perform, but for consumer protection as well. While an argument of availability of contractors willing to do the work can be made for consumers in rural areas, allowing handymen to perform unlicensed work would only put those consumers at risk of fraud or abuse by those handymen. Any increase, would allow handymen to take on slightly larger jobs, which would increase the potential for abuse.

Therefore, we oppose 69 and respectfully request that you defer any further action on this bill.

LiUNA Local 368
1617 Palama Street
Honolulu, HI 96817
Phone: (808) 841-5877
Fax: (808) 847-7829
www.local368.org

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February 20, 2019

The Honorable Roy M. Takumi, Chair
House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: House Bill 69, Relating to Contractors

HEARING: Wednesday, February 20, 2019, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Shannon Heaven and I strongly support House Bill 69, which raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor.

Hawai'i Revised Statutes Chapter 444 requires that a licensed contractor be hired for any construction work that costs more than \$1,000 or that requires a building permit. However, the "handyman exemption" allows the hiring of a person not licensed as a contractor if the total cost of the project, including labor, materials, and all other costs, is equal to or less than \$1,000. This does not apply to electrical or plumbing work.

The handyman exemption was last raised in 1992, from \$100 to \$1,000, which is over 27 years ago. Since then, the cost of living, housing and inflation have all risen drastically. By having the handyman exemption only apply to labor costs and a modest increase to \$1,500 will help keep pace with current levels.

Handymen provide a valuable service by doing maintenance and minor jobs, such as installing a screen door, touching up paint, or repairing a gate for homeowners. These are projects that are often too small for a licensed contractor to be willing to take on because their overhead is higher. It is also a problem for neighbor islands or rural areas, where there is a smaller pool of contractors to choose from.

To add to the problem, Hawai'i has also seen heavy rains and winds last year from Hurricane Olivia and Lane which affected Kaua'i, Maui and parts of Hawai'i Island and O'ahu. Properties damaged from debris and heavy winds would need repairs exceeding the \$1,000 limit from materials alone. This creates another obstacle for homeowners trying to recover from disasters.

As a property manager it is a constant battle for me to find licensed contractors to do small jobs that a handyman could easily complete but is not allowed to do the way the current law stands. The person that ultimately pays the price for this law is the homeowner themselves. Let me give you a recent example for one of my homeowners. We discovered a leaking lanai door that was allowing the outside elements in. Because the cost of the sliding door is \$1000 I was unable to have a handyman do the job. It took 60 days for me to be able to find 2 companies to go out to give me a quote. One company never returned a quote the other company returned a quote 30 days later. We approved the work but then the contractor did not follow through. For them, this job was a job that was not of importance due to size and profit and it was constantly pushed to back burner as they did other larger jobs. Then before the job was able to be

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www.pprofiles.com

completed the Hurricane weather hit Oahu. My tenant had to go buy plywood to board up the door to try and keep the rain out, which was another expense for the tenant and the landlord that was unnecessary. Then when the contractor finally went out to do the job there was additional damage due to the length of time that the door had been sitting unrepaired and the contractor had to increase the price another \$300.00 to cover the additional damage. The result of this antiquated law was over a 105 day wait to repair the door and an additional cost to the homeowner of \$400 when it could have easily been done by a handyman within 2 weeks or less at a Total cost \$300 of labor plus the cost of the door. That is why we need to not only increase the handyman amount BUT even more importantly remove the cost of materials from the \$1000 law. I don't think that it is an unrealistic request that after 27 years plus the cost of inflation it is asking too much of our legislature to exam and update a law that will help the local homeowner.

Additionally, Act 195 passed in 2009, increased the monetary sanctions for engaging in contracting without the required license from \$500 to \$2,500 for the first offense and \$1,000 to \$3,500 for the second offense. This represents up to a five-fold increase in penalties without any increase in the handyman exemption.

Furthermore, from a consumer protection standpoint, a consumer has the small claims court as an outlet should they believe that a handyman's work is not up to par.

Mahalo for the opportunity to testify.

Shannon Heaven, R, CRS, GRI, SFR
Property Manager
License RB-19658
Property Profiles, Inc.