STAND. COM. REP. NO. 1258

Honolulu, Hawaii MAR 24 , 2021

RE: H.C.R. No. 141 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.C.R. No. 141 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A REVIEW REGARDING THE PERFORMANCE OF "INCIDENTAL AND SUPPLEMENTAL" CONTRACTING WORK,"

begs leave to report as follows:

The purpose of this measure is to request that the Legislative Reference Bureau conduct a study of the best practices regarding "incidental and supplemental" contracting work.

Your Committee received testimony in support of this measure from the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 625, A.F.L.-C.I.O. and Iron Workers Stabilization Fund. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii. Your Committee received comments on this measure from the Contractors License Board, Legislative Reference Bureau, and Subcontractors Association of Hawaii.

Your Committee finds that state law allows a specialty contractor to take and execute a contract involving the use of two or more crafts or trades, if the performance of the work in the

2021-2675 HCR141 HD1 HSCR HMSO

STAND. COM. REP. NO. 1258 Page 2

crafts or trades, other than in which the specialty contractor is licensed, is incidental and supplemental to the performance of work in the craft or trade for which the specialty contractor is licensed. Your Committee further finds that the Hawaii Supreme Court has issued opinions that provided guidance in determining whether certain work is incidental and supplemental. Under existing state law, the Contractors License Board is tasked with making determinations on whether work is incidental and supplemental, which is to be consistent with the opinions of the Hawaii Supreme Court. Your Committee notes that an alternative body, rather than the Contractors License Board, may better determine without any inherent conflict of interest whether work is incidental and supplemental. This measure requests research to study other jurisdictions and their approaches for handling incidental and supplemental work.

Your Committee has amended this measure by:

- Specifying that in conducting the study, the Legislative Reference Bureau is requested to obtain input from relevant national trade organizations, rather than the wide breadth of stakeholders;
- (2) Amending the title to read, "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF BEST PRACTICES REGARDING THE PERFORMANCE OF "INCIDENTAL AND SUPPLEMENTAL" CONTRACTING WORK."; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.C.R. No. 141, H.D. 1.

2021-2675 HCR141 HD1 HSCR HMSO

STAND. COM. REP. NO. 1258 Page 3

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANSON, Chair iank

AARON LING JOHAN

2021-2675 HCR141 HD1 HSCR HMSO 

State of Hawaii House of Representatives

House of Representatives The Thirty-first Legislature **HSCR** 1258

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.:  HCRIHI  Committee Referral:  CPC, FIN  Date:  3  19  24    I The committee is reconsidering its previous decision on the measure.  Image: CPC, FIN  Image: CPC, FI									
					CPC Members	Ayes	Ayes (WR)	Nays	Excused
					1. JOHANSON, Aaron Ling (C)				
2. KITAGAWA, Lisa (VC)									
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3. AQUINO, Henry J.C.			· · · · · · · · ·						
4. HAR, Sharon E.									
5. HASHEM, Mark J.									
6. KONG, Sam Satoru									
7 MIZUNO John M			den and and and						
7. MIZUNO, John M.									
8. MORIKAWA, Dee				<u> </u>					
9. ONISHI, Richard H.K.									
10. TARNAS, David A.		Shire and an and a start of the	(a) South and the second se	ly yn fern a'r yn e'r yn drae er char yn ar far ar fernau yn					
11. MATSUMOTO, Lauren									
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TOTAL (11)	0	ð	0	1					
The recommendation is:  Adopted  Not Adopted    If joint referral,									
Vice Chair's or designee's signature:									
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO									