

A BILL FOR AN ACT

RELATING TO THIRD-PARTY REVIEW SERVICES.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by 2 adding a new chapter to title 25 to be appropriately designated 3 and to read as follows: 4 "CHAPTER 5 THIRD-PARTY REVIEW SERVICES 6 -1 Definitions. As used in this chapter: 7 "Board" means the third-party review services licensing 8 board. 9 "Department" means the department of commerce and consumer 10 affairs. "Third-party review services" means an independent entity's 11 12 review of a residential, commercial, or industrial development 13 project's proposed plans, specifications, and permit 14 applications to ensure compliance with applicable federal, 15 state, and local laws, rules, regulations, ordinances, and 16 codes.

1	\$	-2 Third-party review services licensing board;
2	establish	ed; organization; powers. (a) There is established
3	within th	e department for administrative purposes the
4	third-party review services licensing board.	
5	(b)	The board shall consist of members,
6	including	professional engineers licensed in the
7	State and	having at least five years of experience providing
8	professio	nal engineering services and professional
9	architect	s licensed in the State and having at least ten years
10	of experi	ence providing professional architectural services.
11	(c)	In addition to any other powers and duties authorized
12	by law, t	he board may:
13	. (1)	Establish third-party review services licensure
14		requirements;
15	(2)	Grant, deny, or renew third-party review services
16		licenses;
17	(3)	Adopt, amend, or repeal rules, pursuant to chapter 91,
18		not inconsistent with the law, as may be necessary to
19		administer, coordinate, and enforce the licensure of
20		third-party review services pursuant to this chapter:

1	(4)	Take disciplinary action against an entity for
2		violation of this chapter or any rules adopted
3		pursuant to this chapter;
4	(5)	Develop and adopt rules relating to the provision of
5		third-party review services; and
6	(6)	Adopt a code of ethics to address permissible and
7		prohibited activities of licensees.
8	\$	-3 License fees. The department may collect a license
9	fee in an	amount determined by the department to be reasonably
10	necessary	to reimburse the department for the costs incurred in
11	establish	ing and administering the third-party review services
12	licensure	program pursuant to this chapter and conducting any
13	periodic	inspections.
14	\$	-4 Third-party review recovery fund; established. (a)
15	The board	may establish and maintain a third-party review
16	recovery fund from which any person injured by an act,	
17	representation, transaction, or conduct of a duly licensed	
18	third-par	ty review services provider, which is in violation of
19	this chap	ter or the rules adopted pursuant to this chapter, may
20	recover,	by order of the circuit court or district court of the
21	judicial	circuit where the violation occurred, an amount of not

- 1 more than \$10,000 per contract, regardless of the number of
- 2 persons injured under the contract, for damages sustained by the
- 3 act, representation, transaction, or conduct. Recovery from the
- 4 fund shall be limited to the actual damages suffered by the
- 5 claimant, including court costs and fees as set by law, and
- 6 reasonable attorney fees as determined by the court; provided
- 7 that recovery from the fund shall not be awarded to persons
- 8 injured by an act, representation, transaction, or conduct of a
- 9 third-party review services provider whose license was
- 10 suspended, revoked, forfeited, terminated, or in an inactive
- 11 status at the time the claimant entered into the contract with
- 12 the third-party review services provider.
- (b) When any entity applies for a third-party review
- 14 services license, the entity shall pay, in addition to any
- 15 original license fee collected pursuant to section -3, a fee
- 16 of \$50,000 for deposit into the third-party review recovery fund
- 17 as provided in rules adopted by the department pursuant to
- 18 chapter 91. If the board does not issue the license, these fees
- 19 shall be returned to the applicant."

1 SECTION 2. This Act shall take effect upon its approval.

2

INTRODUCED BY:

JAN 2 6 2022

Report Title:

Department of Commerce and Consumer Affairs; Third-Party Review Services; Licensure Board; Recovery Fund; Rulemaking

Description:

Establishes the third-party review services licensure program and board and the third-party review recovery fund.

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