

JAN 21 2022

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.

11 "Third-party review services" means an independent entity's
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 established; organization; powers. (a) There is established
3 within the 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 professional engineering services and professional
9 architects licensed in the State and having at least ten years
10 of experience providing professional architectural services.

11 (c) In addition to any other powers and duties authorized
12 by law, the 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;



(4) Take disciplinary action against an entity for violation of this chapter or any rules adopted pursuant to this chapter;

(5) Develop and adopt rules relating to the provision of third-party review services; and

(6) Adopt a code of ethics to address permissible and prohibited activities of licensees.

§ -3 License fees. The department may collect a license fee in an amount determined by the department to be reasonably necessary to reimburse the department for the costs incurred in establishing and administering the third-party review services licensure program pursuant to this chapter and conducting any periodic inspections.

§ -4 Third-party review recovery fund; established. (a) The board may establish and maintain a third-party review recovery fund from which any person injured by an act, representation, transaction, or conduct of a duly licensed third-party review services provider, which is in violation of this chapter or the rules adopted pursuant to this chapter, may recover, by order of the circuit court or district court of the 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.

13 (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."



S.B. NO. 2447

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

2

INTRODUCED BY:

Kurt Feella



S.B. NO. 2447

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.

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

