

A Bill for an Act Relating to Contractors.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 26H-4, Hawaii Revised Statutes, is amended to read as follows:

“§26H-4 **[[NEW]] Repeal dates.** (a) The following chapters are hereby repealed effective December 31, 1983:

- [(1)] Chapter 444 (Contractors License Board)
- [(2)] (1) Chapter 448E (Board of Electricians and Plumbers)
- [(3)] (2) Chapter 464 (Board of Registration of Professional Engineers, Architects, and Surveyors)
- [(4)] (3) Chapter 466 (Board of Public Accountancy)
- [(5)] (4) Chapter 467 (Real Estate Commission)
- [(6)] (5) Chapter 448H (Elevator Mechanics Licensing Board)

(b) The following chapters are hereby repealed effective December 31, 1984:

- (1) Chapter 436D (Board of Acupuncture)
- (2) Chapter 442 (Board of Chiropractic Examiners)
- (3) Chapter 448 (Board of Dental Examiners)
- (4) Chapter 453 (Board of Medical Examiners)
- (5) Chapter 457 (Board of Nursing)
- (6) Chapter 447 [(Board)] (Dental Hygienists)
- (c) The following chapters are hereby repealed effective December 31,

1985:

- (1) Chapter 460 (Board of Osteopathic Examiners)
- (2) Chapter 461 (Board of Pharmacy)
- (3) Chapter 455 (Board of Examiners in Naturopathy)
- (4) Chapter 463E (Podiatry)
- (5) Chapter 451A (Board of Hearing Aid Dealers and Fitters)
- (6) Chapter 457B (Board of Examiners of Nursing Home Administrators)
- (d) The following chapters are hereby repealed effective December 31,

1986:

- (1) Chapter 437 (Motor Vehicle Industry Licensing Board)
- (2) Chapter 437B (Motor Vehicle Repair Industry Board)
- (3) Chapter 440 (Boxing Commission)
- (4) Chapter 460J (Pest Control Board)
- (5) Chapter 438 (Board of Barbers)
- (6) Chapter 439 (Board of Cosmetology)
- (e) The following chapters are hereby repealed effective December 31,

1987:

- (1) Chapter 458 (Board of Dispensing Opticians)
- (2) Chapter 459 (Board of Examiners in Optometry)
- (3) Chapter 452 (Board of Massage)
- (4) Chapter 471 (Board of Veterinary Examiners)
- (5) Chapter 441 (Cemeteries and Mortuaries)

- (6) Chapter 463 (Board of Detectives and Guards)
- 1988: (f) The following chapters are hereby repealed effective December 31, 1988:
- (1) Chapter 465 (Board of Certification for Practicing Psychologists)
 - (2) Chapter 468E (Board of Speech Pathology and Audiology)
 - (3) Chapter 359L (Factory Built Housing Advisory Board)
 - (4) Chapter 468B (Solar Energy Device Dealers)
 - (5) Chapter 468K (Travel Agencies)
 - (6) Chapter 373 (Commercial Employment Agencies)[.]
 - (g) The following chapter is hereby repealed effective December 31, 1989:
 - (1) Chapter 444 (Contractors License Board)."

SECTION 2. Section 444-11, Hawaii Revised Statutes, is amended to read as follows:

- "§444-11 No license issued when.** No license hereunder shall be issued to:
- (1) Any person unless he has filed an application therefor;
 - (2) Any person who does not possess a good reputation for honesty, truthfulness, financial integrity, and fair dealing;
 - (3) Any individual unless he is of the age of eighteen years or more;
 - [(4)] Any individual qualifying as a contractor unless he has been a resident of the State for at least one year;
 - (5) (4) Any copartnership or joint venture which is not exempt under section 444-2(8) unless the contracting business thereof is under the direct management of a partner or employee thereof, unless such partner has been a resident of the State for at least one year or such employee has been a resident of the State for at least two years, and unless such partner or employee holds an appropriate license;
 - [(6)] (5) Any individual who is unable to qualify as a contractor or any corporation, unless the contracting business of such individual or corporation is under the direct management of an officer or employee thereof, unless such officer or employee has been a resident of the State for at least two years, and unless such officer or employee holds an appropriate license;
 - [(7)] (6) Any person unless he submits satisfactory proof to the contractors license board that he has obtained workmen's compensation insurance or has been authorized to act as a self-insurer as required by chapter 386;
 - [(8)] (7) The provisions of this section shall not apply when it is determined by the contractors license board that less than ten persons are qualified to perform the work in question. The provisions also shall not apply with respect to projects which require additional qualifications beyond those established by the licensing law, and which are deemed necessary and in the public interest by the contracting agency."

SECTION 3. Section 444-12, Hawaii Revised Statutes, is amended to read as follows:

"§444-12 Application; fees. (a) Every applicant for a license under this chapter shall file an application with the contractors license board in such form and setting forth such information as may be prescribed or required by the board, and shall furnish such additional information bearing upon the issuance of the license as it shall require. Every application shall be sworn to before an officer authorized to administer oaths. In the case of a copartnership, joint venture, or corporation any member or officer thereof may sign the application and verify the same on behalf of the applicant.

(b) Every application, in the case of an individual, shall be accompanied by sworn certificates of not less than two persons who have known the applicant for a period of not less than six months, certifying that the applicant bears a good reputation for honesty, truthfulness, and fair dealing.

(c)] (b) Every application for a license hereunder shall be accompanied by an application fee of \$25."

SECTION 4. Section 444-26, Hawaii Revised Statutes, is amended to read as follows:

"§444-26 Contractors recovery fund; use of fund; person injured; fees. The contractors license board is authorized and directed to establish and maintain a contractors recovery fund from which any person injured by an act, representation, transaction, or conduct of a duly licensed contractor, which is in violation of the provisions of this chapter or the regulations promulgated pursuant thereto, may recover by order of the circuit court or district court of the [county] judicial circuit where the violation occurred, an amount of not more than [~~\$10,000~~] \$12,500 for damages sustained by the act, representation, transaction, or conduct. Recovery from the fund shall be limited to the actual damages suffered by the claimant, including court costs and fees as set by law, and reasonable attorney fees as determined by the court; provided that recovery from the fund shall not be awarded to persons injured by an act, representation, transaction, or conduct of a contractor whose license was in an inactive status at the time of the injury.

For the purposes of this chapter, "person injured" means and is limited to owners or lessees of private residences, including condominium or cooperative units, who have contracted with a duly licensed contractor for the construction of improvements or alterations to their own private residences.

Every contractor, when renewing his license in 1974, shall pay in addition to his license renewal fee, a fee of \$50 for deposit in the contractors recovery fund. On or after May 1, 1974, when any person makes application for a contractors license he shall pay, in addition to his original license fee, a fee of \$150 for deposit in the contractors recovery fund. In the event that the contractors license board does not issue the license, this fee shall be returned to the applicant."

SECTION 5. Section 444-27, Hawaii Revised Statutes, is amended to read as follows:

"§444-27 Additional payments to fund. If, on December 31 of any year, the balance remaining in the contractors recovery fund is less than [~~\$150,000,~~]

\$250,000, every contractor, when renewing his license during the following biennial renewal period, shall pay, in addition to his license renewal fee, a fee not to exceed [\$150] \$250 for deposit in the contractors recovery fund.”

SECTION 6. Section 444-34, Hawaii Revised Statutes, is amended to read as follows:

“**§444-34 Maximum liability.** Notwithstanding any other provision, the liability of the contractors recovery fund shall not exceed [\$20,000] \$25,000 for any licensed contractor.”

SECTION 7. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 8. This Act shall take effect upon its approval.

(Approved June 7, 1983.)