

Honolulu, Hawaii
Feb 8, 2006

RE: H.B. No. 1979
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 1979 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose of this bill is to ensure that homes, buildings,
and facilities in Hawaii are properly maintained by allowing
unlicensed contractors to complete projects that cost not more
than \$100,000. The current statute allows unlicensed contractors
to accept and complete projects that cost not more than \$1,000.

Clark Realty, Blue Sky Realty and Management, Realty and
Rentals, Inc., Inoue Hawaii Realty Corporation, Hawaiian Isle Real
Estate LLC, Alpha Real Estate and Management Co., Alice Reeves
Realty, Landmark Maui Properties, Big Island Brokers, Realtor-
Broker, West Oahu Realty, Luke and Associates Realty, Inc.,
Property Profiles, Cynthia Rubinstein Real Estate, Inc., and
numerous other realtors, brokers, and concerned individuals
testified in support of this bill. The Hawaii Association of
Realtors supported the intent of this bill. The Department of
Accounting and General Services, Board of Electricians and
Plumbers, Contractors License Board, Associated Builders and
Contractors, Inc., Plumbing and Mechanical Contractors Association
of Hawaii, Subcontractors Association of Hawaii, Sheet Metal
Contractors Association, and Plumbers and Pipefitters Union Local
675 testified in opposition to this measure. The Department of
Commerce and Consumer Affairs provided comments on this measure.

HB1979 HD1 HSCR EDB HMS 2006-1693



The recent boom in Hawaii's construction industry has made it difficult to find contractors willing to undertake small, low-cost, but necessary home and building projects. Increasing the exemption for unlicensed contracting work will benefit home and building owners.

However, your Committee finds that there needs to be further discussion regarding an appropriate amount of increase. Accordingly, your Committee has amended this bill by:

- (1) Replacing the \$100,000 unlicensed contractor exemption cap with a blank amount to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1979, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,



JON RIKI KARAMATSU, Chair



