

Honolulu, Hawaii

April 11, 2006

RE: H.R. No. 43

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 Consumer Protection & Commerce, to which was referred H.R. No. 43 entitled:

"HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO ESTABLISH A TASK FORCE ON SUPPLY OF CONTRACTORS AND TRADESMEN IN TIMES OF NATURAL DISASTER TO STUDY THE EXPEDITED LICENSING OR LICENSING EXEMPTIONS FOR CONTRACTORS AND TRADESMEN AND THE ESTABLISHMENT OF PRICE CONTROLS ON BUILDING MATERIALS,"

begs leave to report as follows:

The purpose of this resolution is to prepare for a shortage of licensed tradesmen and contractors to rebuild Hawaii in the event of a natural disaster by requesting the Department of Commerce and Consumer Affairs to establish a task force to study:

- (1) Authorizing expedited licensing or licensing exemptions for tradesmen and contractors; and
- (2) Establishing price controls on building materials.

The Hawaii Association of REALTORS supported this resolution. The Building Industry Association of Hawaii supported this measure in part and opposed this measure in part. The Contractors License Board supported the intent of this resolution and suggested amendments. The Department of Commerce and Consumer Affairs and State Farm Insurance Companies commented on this measure and suggested amendments.



The recent Gulf Coast hurricanes and our own experiences with rebuilding after hurricanes Iwa and Iniki demand that we anticipate and plan for a shortage of skilled and licensed contractors and tradesmen after a natural disaster.

Upon consideration of the issues raised at the hearing, your Committee has amended this resolution by:

- (1) Changing its title to read:

REQUESTING THE PREPARED EMERGENCY RESPONSE COMMISSION TO STUDY EXPEDITED LICENSING OR LICENSING EXEMPTIONS FOR CONTRACTORS AND TRADESMEN IN THE EVENT OF A NATURAL DISASTER;

- (2) Removing the establishment of price controls from the study;
- (3) Providing that the Prepared Emergency Response Commission (Response Commission) perform the study, or in its absence, a task force established by the Director of Commerce and Consumer Affairs pursuant to the measure;
- (4) Removing from the task force, the:
 - (A) Comptroller;
 - (B) Vice-Director of Civil Defense;
 - (C) Representative of an insurer that writes less than 20 percent of the Hawaii homeowners insurance market;
 - (D) Representative of the Property and Casualty Insurance Association of America;
 - (E) Executive Director of the Office of Consumer Protection; and
 - (F) Three representatives of construction materials supply houses;

and




- (5) Adding to the task force, a representative of:
- (A) Subcontractors Association of Hawaii;
 - (B) Building Industry Association of Hawaii;
 - (C) General Contractors Association of Hawaii;
 - (D) Associated Builders and Contractors; and
 - (E) Hawaii Association of REALTORS.

Your Committee requests that the Response Commission or task force, as the case may be, consider and make recommendations on the appropriate time and method of terminating any licensing exemptions or regulations proposed by the task force.

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.R. No. 43, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 43, H.D. 1.

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



ROBERT N. HERKES, Chair



