

STAND. COM. REP. NO.

1494

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 1425  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Public Safety & Military Affairs, to which was referred S.B. No. 1425, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTOR LICENSING REQUIREMENTS DURING A STATE OF EMERGENCY OR DISASTER,"

begs leave to report as follows:

The purpose of this bill is to ensure that an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster by issuing emergency contractor's licenses to qualified out-of-state contractors.

State Farm Insurance Company supported this bill. The Subcontractors Association of Hawaii supported this measure with amendments. The Contractors License Board (Board) submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing the Board to establish an Emergency Contractors Recovery Fund to assist in covering liability costs for persons injured as a result of work performed by a contractor licensed pursuant to this bill;

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- (2) Authorizing the Board to collect fees from applicants for an emergency contractor's license;
- (3) Requiring a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (4) Requiring that an applicant for an emergency contractor's license provide:
  - (A) Proof of workers' compensation, property damage, and liability insurance in an amount not less than \$300,000 per occurrence and \$600,000 in the aggregate;
  - (B) A current financial statement prepared by a certified public accountant;
  - (C) A credit report; and
  - (D) Proof of intent to pay any and all applicable state general excise taxes by means of a state tax clearance statement;
- (5) Clarifying that a contractor who is issued an emergency contractor's license is subject to requirements set by Hawaii's contractor laws under Chapter 444, Hawaii Revised Statutes;
- (6) Specifying that an emergency contractor's license shall only be valid during the period that the emergency exists; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1425, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Public Safety &  
Military Affairs,



SHARON E. HAR, Acting Chair  
and Vice Chair



