

STAND. COM. REP. NO. 1819

Honolulu, Hawaii

Ajls, 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 Consumer Protection & Commerce, to which
was referred S.B. No. 1425, S.D. 2, H.D. 1, 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.
Specifically, this measure:

- (1) Authorizes the Contractors License Board (Board) to
issue emergency contractor's licenses to qualified out-
of-state contractors;
- (2) Authorizes 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 that is issued an emergency
license to perform necessary repairs and reconstruction
work during a state of emergency or disaster;
- (3) Authorizes the Board to collect fees from applicants for
an emergency contractor's license;

SB1425 HD1 HSCR CPC HMS 2007-3662



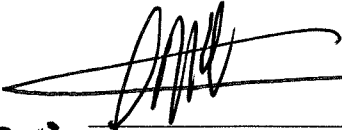
- (4) Requires a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (5) Requires that an applicant for an emergency contractor's license provide:
 - (A) Proof of workers' compensation, property 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;
- (6) Clarifies 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; and
- (7) Specifies that an emergency contractor's license shall only be valid during the period that the emergency exists.

State Farm Insurance Company supported this bill. The Board and Subcontractors Association of Hawaii submitted comments.

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 is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, H.D. 1, and recommends that it pass Third Reading.



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



for: ROBERT N. HERKES, Chair vlc



