

STAND. COM. REP. NO.

213

Honolulu, Hawaii

FEB 13 2007

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

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Intergovernmental and Military Affairs, to which was referred S.B. No. 1425 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 measure is to help ensure that there is an adequate supply of licensed contractors available to perform the necessary repairs and reconstruction work during a state of emergency or disaster.

Testimony was submitted in support of this measure by the Department of Defense, State Farm Insurance Companies, the Contractors License Board, and the Subcontractors Association of Hawaii.

Your Committee finds that if a natural disaster should strike, the demand for contractors may exceed the supply of Hawaii licensed contractors and workers available to perform the necessary repair and reconstruction work and this would be exacerbated with the current tight labor market. To protect consumers from unscrupulous and inexperienced individuals seeking to profit from the urgent need of repairs that would follow a disaster like hurricanes Iniki and Katrina, your Committee believes that complete exemption from the contractor licensing requirements is inappropriate and may lead to additional harm and heartache. Allowing out-of-state contractors licensed in other jurisdictions to perform work in Hawaii under an emergency license



represents a reasonable balance between the need for more contractors and the need to protect consumers.

To that end, your Committee amended the measure by clarifying language that the emergency contractor must show proof of liability and property damage insurance and requiring emergency contractors to pay the state general excise tax.

It is the intent of your Committee to ensure that there is an adequate supply of licensed contractors available to perform the necessary repairs and reconstruction work during a state of emergency or disaster and putting requirements in place to ensure public and consumer safety.

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


Respectfully submitted on
behalf of the members of the
Committee on Intergovernmental
and Military Affairs,


LORRAINE R. INOUÉ, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Intergovernmental and Military Affairs
IGM

Bill / Resolution No.:* SB 1425	Committee Referral: IGM, CPH	Date: 2/7/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	/			
TSUTSUI, Shan S. (VC)	/			
HEMMINGS, Fred				/
TOTAL	2			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes