
A BILL FOR AN ACT

RELATING TO CONTRACTOR LICENSING REQUIREMENTS DURING A STATE OF
EMERGENCY OR DISASTER.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 444, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:
4 "§444- Emergency contractors recovery fund; use of fund;
5 person injured; fees. (a) The board may establish and maintain
6 an emergency contractors recovery fund. Any person injured by
7 an act, representation, transaction, or conduct of a duly
8 licensed emergency contractor, which is in violation of this
9 chapter or the rules adopted pursuant thereto, may recover by
10 order of the circuit court or district court of the judicial
11 circuit where the violation occurred, an amount not exceeding
12 \$12,500 per contract, regardless of the number of persons
13 injured under the contract, for damages sustained by the act,
14 representation, transaction, or conduct. Recovery from the fund
15 shall be limited to the actual damages suffered by the claimant,
16 including court costs and fees as set by law, and reasonable
17 attorney fees as determined by the court; provided that recovery



1 from the fund shall not be awarded to persons injured by an act,
2 representation, transaction, or conduct of a contractor whose
3 license was suspended, revoked, forfeited, terminated, or
4 inactive at the time the claimant entered into the contract with
5 the contractor.

6 (b) Applicants for an emergency contractor's license shall
7 pay, in addition to the original license fee, a fee of not less
8 than one per cent of the amount of the contract or contracts
9 procured in Hawaii for deposit in the emergency contractors
10 recovery fund.

11 (c) For purposes of this section, "person injured" or
12 "injured person" means and is limited to owners or lessees of
13 private residences, including condominium or cooperative units,
14 who have contracted with a duly licensed emergency contractor
15 for the construction of improvements or alterations to the
16 owners' or lessees' own private residences and owners or lessees
17 of real property who have contracted with a duly licensed
18 emergency contractor for the construction of the owners' or
19 lessees' own private residences on the owners' or lessees' real
20 property."

21 SECTION 2. Section 444-10.6, Hawaii Revised Statutes, is
22 amended to read as follows:



1 " ~~[f]§444-10.6[f]~~ State of emergency or disaster; [~~acting~~
2 ~~as a contractor without a license, penalty.~~] emergency
3 licensure; penalties. (a) Notwithstanding any other provision
4 of law to the contrary, the board may issue emergency
5 contractor's licenses during a state of emergency or disaster
6 duly declared by the governor under chapter 209 upon a
7 determination by the board that a shortage of a qualified
8 workforce exists.

9 (b) To qualify for an emergency contractor's license, an
10 applicant shall:

11 (1) Provide proof of licensure as a contractor in another
12 state with similar contractor licensing requirements
13 as those in this state, and that the license is
14 current and has been in good standing for the past two
15 years;

16 (2) Provide proof of liability and property damage
17 insurance, obtained through an insurer authorized to
18 do business in this state or other insurer acceptable
19 to the board;

20 (3) Provide proof of workers' compensation insurance,
21 property damage insurance, and liability insurance in
22 an amount not less than \$300,000 per occurrence and



- 1 \$600,000 in the aggregate as specified in the board's
2 rules;
- 3 (4) Submit a current financial statement prepared by a
4 certified public accountant and applicable credit
5 reports as specified in the board's rules;
- 6 (5) Pay all applicable application and license fees,
7 including recovery fund and education fund fees;
- 8 (6) Submit a credit report;
- 9 (7) Provide proof of intent to pay any and all applicable
10 state general excise taxes by means of a state tax
11 clearance statement; and
- 12 (8) Provide proof of licensure as a contractor in another
13 state which follows the same adopted version of the
14 applicable county's uniform building code.
- 15 (c) The classifications of emergency contractor's licenses
16 issued and the duration of the emergency contractor's licenses
17 shall be determined by the board based on the nature and
18 duration of the state of emergency or disaster, and the needs
19 and best interests of the public.
- 20 (d) The board may delegate the issuance of emergency
21 contractors' licenses to its administrative staff; provided that



1 the applicant shall meet all of the requirements specified in
2 this section before the issuance of the license.

3 (e) A contractor who is issued an emergency contractor's
4 license shall be subject to all requirements to maintain such
5 license as set forth in section 444-11.1, and shall be subject
6 to the same penalties as set forth in sections 444-10.6, 444-17,
7 444-23, 444-23.5, 444-24, and 444-25.5.

8 (f) An emergency contractor's license issued pursuant to
9 this section shall be valid only during the period that the
10 emergency exists.

11 (g) Any person who violates section 444-9, in connection
12 with the offer or performance of repairs to a residential or
13 nonresidential structure for damage caused by a natural disaster
14 in a political subdivision for which a state of emergency or
15 disaster is proclaimed by the governor, may be punished by a
16 fine of up to \$10,000, [~~or~~] imprisonment up to one year, or
17 both, in addition to all other remedies or penalties."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Contractor Licensing

Description:

Ensures an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster. (SB1425 HD1)

