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# A BILL FOR AN ACT

RELATING TO CONTRACTORS.

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

1 SECTION 1. Section 444-10.5, Hawaii Revised Statutes, is  
2 amended by amending subsections (a) and (b) to read as follows:

3 "(a) In addition to any other remedy available, the  
4 investigator may issue citations to persons acting in the  
5 capacity of or engaging in the business of a contractor within  
6 the State, without having a license [~~previously obtained under~~  
7 ~~and in compliance~~] in good standing with this chapter and the  
8 rules [~~promulgated~~] adopted thereunder. If the investigator  
9 determines that a person is acting in the capacity of, or  
10 engaging in the business of, a contractor within this State  
11 without having a license to so act or engage, the investigator  
12 may issue a citation to [~~sueh~~] that person.

13 (b) Each citation shall be in writing and shall describe  
14 the basis of the citation, including the specific statutory  
15 provisions alleged to have been violated, and shall contain an  
16 order to cease and desist from the violation, and an assessment  
17 of civil penalties as provided in section 444-23. The citation



1 shall also include notice of the sanctions for violating the  
2 cease and desist order. Upon the issuance of a citation, all  
3 work shall cease immediately and shall not resume until the  
4 person cited holds the licenses required under this chapter to  
5 perform the work. All penalties collected under this section  
6 shall be deposited in the special fund established under section  
7 26-9."

8 SECTION 2. Section 444-23, Hawaii Revised Statutes, is  
9 amended by amending subsection (c) to read as follows:

10 "(c) Except as provided in subsections (a), (b), (d), and  
11 (e), any person who violates or fails to comply with this  
12 chapter shall be fined not less than \$100 or more than \$5,000  
13 for each violation; provided that any person without a license  
14 in good standing with this chapter who violates section 444-9  
15 shall be fined:

- 16 (1) \$500 or forty per cent of the total contract price,  
17 whichever is greater, for the first offense;
- 18 (2) \$1,000 or forty per cent of the total contract price,  
19 whichever is greater, for the second offense; and
- 20 (3) \$5,000 or forty per cent of the total contract price,  
21 whichever is greater, for any subsequent offense,



1 and when the person is or was a defendant or respondent in a  
2 separate citation or lawsuit filed with or by the department,  
3 all tools, implements, documents, materials, or any other  
4 property used by the person in activities violating section  
5 444-9 shall be subject to forfeiture as provided by section  
6 444-23.5 and shall be turned over to the department for  
7 disposition under that section."

8 SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

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



**Report Title:**

Contractors; License Requirements; Citations; Civil Penalties

**Description:**

Amends section 444-10.5, Hawaii Revised Statutes, to prohibit the resumption of work for any person who is issued a citation for operating without a license until a hearing is conducted.  
(SD1)

