

Honolulu, Hawaii

FEB 12 2008

RE: S.B. No. 2896  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and  
Affordable Housing, to which was referred S.B. No. 2896 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose of this measure is to reduce and deter unlicensed contractor activity in the State by prohibiting the resumption of work for any contractor who is issued a citation for operating without a license until a hearing is conducted, and providing a \$10,000 per day fine for operating without a license.

Testimony in support of this measure was submitted by the Iron Workers Stabilization Fund. Testimony in opposition to this measure was submitted by the Subcontractors Association of Hawaii. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that licensing requirements relating to contractors protects consumers from unlicensed work. Testimony indicates concerns that out of scope work may prove cumbersome to define and implement as the scope of licensed activity may not be clear; thus, unintentionally resulting in licensed contractors being charged with unlicensed activity. Furthermore, the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs indicated concerns that the \$10,000 per day fine may be deemed excessive, and establishes duplicative fines as fines are already set forth under section 444-23(c), Hawaii Revised Statutes.



Accordingly, your Committee has amended this measure by:

- (1) Clarifying that unlicensed contractor shall be issued citations for performing work without having a license in good standing with the requirements of and rules adopted pursuant to chapter 444, Hawaii Revised Statutes;
- (2) Deleting the \$10,000 per day fine for unlicensed contractor activity; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that this measure, as amended, fulfills the intent of this measure, which is to reduce and deter unlicensed contractor activity in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2896, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Affordable  
Housing,

  
RUSSELL S. KOKUBUN, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Commerce, Consumer Protection and Affordable Housing**  
**CPH**

Bill / Resolution No.:* <b>SB 2896</b>	Committee Referral: <b>CPH, JDL</b>	Date: <b>2/08/08</b>
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The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312     Pass, with amendments 2311     Hold 2310     Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	/			
IGE, David Y. (VC)				/
ESPERO, Will	/			
IHARA, Jr., Les				/
SAKAMOTO, Norman	/			
TANIGUCHI, BRIAN T.				/
TRIMBLE, Gordon	/			
<b>TOTAL</b>	<b>4</b>			<b>3</b>

Recommendation:  Adopted     Not Adopted

Chair's or Designee's Signature: *Will Espero*

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\*Only one measure per Record of Votes