
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 with this chapter and the rules promulgated~~
8 ~~thereunder. If the investigator determines that a person is~~
9 ~~acting in the capacity of, or engaging in the business of, a~~
10 ~~contractor within this State without having a license to so act~~
11 ~~or engage, the investigator may issue a citation to such~~
12 ~~person.] citations shall be issued in the manner set forth in
13 this subsection. The investigator shall issue a citation and a
14 cease and desist order as provided in subsection (b) to a person
15 not exempt under section 444-2 whom the investigator personally
16 observes and determines is acting in the capacity of, or
17 engaging in the business of, a contractor within this State
18 without having a license in good standing pursuant to this~~

1 chapter. Where the investigator does not personally observe but
2 determines that a person not exempt under section 444-2 is
3 acting in the capacity of, or engaging in the business of, a
4 contractor within this State without having a license in good
5 standing pursuant to this chapter, the investigator may issue a
6 citation to that person.

7 (b) Each citation shall be in writing and shall describe
8 the basis of the citation, including the specific statutory
9 provisions alleged to have been violated, and shall contain an
10 order to cease and desist from the violation, and an assessment
11 of civil penalties as provided in section 444-23. The citation
12 shall also include notice of the sanctions for violating the
13 cease and desist order. Upon the issuance of a citation, the
14 person cited shall cease work immediately and shall not resume
15 work until the person cited holds the licenses required under
16 this chapter to perform the work. All penalties collected under
17 this section shall be deposited in the special fund established
18 under section 26-9."

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

21 "(c) Except as provided in subsections (a), (b), (d), and
22 (e), any person who violates or fails to comply with this

1 chapter shall be fined not less than \$100 or more than \$5,000
2 for each violation; provided that any person without a license
3 in good standing pursuant to this chapter who violates section
4 444-9 shall be fined:

5 (1) [~~\$500~~] \$2,500 or forty per cent of the total contract
6 price, whichever is greater, for the first offense;

7 (2) [~~\$1,000~~] \$3,500 or forty per cent of the total
8 contract price, whichever is greater, for the second
9 offense; and

10 (3) \$5,000 or forty per cent of the total contract price,
11 whichever is greater, for any subsequent offense,

12 and when the person is or was a defendant or respondent in a
13 separate citation or lawsuit filed with or by the department,
14 all tools, implements, documents, materials, or any other
15 property used by the person in activities violating section
16 444-9 shall be subject to forfeiture as provided by section
17 444-23.5 and shall be turned over to the department for
18 disposition under that section."

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

21 SECTION 4. This Act shall take effect on January 1, 2015.

Report Title:

Contractors; License Requirements; Citations; Civil Penalties

Description:

Allows the issuance of citations for violation of contractor licensing statutes. Prohibits the resumption of work after a citation until the person cited obtains the required licenses. Amends penalties. Effective 1/1/15. (SD1)