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# A BILL FOR AN ACT

RELATING TO THE CONSTRUCTION AUTHORITY.

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

1 Part I.

2 Construction Authority

3 SECTION 1. The Hawaii Revised Statutes is amended by  
4 adding a new chapter to be appropriately designated and to read  
5 as follows:

6 "CHAPTER

7 CONSTRUCTION AUTHORITY

8 PART I. GENERAL PROVISIONS

9 § -1 Construction authority; appointment, terms. (a)

10 There shall be within the department of accounting and general  
11 services for administrative purposes only, a construction  
12 authority whose responsibility shall be to procure all public  
13 contracts relating to construction, administer the facilitation  
14 of permit processing relating to construction, and provide for  
15 the licensing of contractors, electricians and plumbers,  
16 elevator mechanics, and professional engineers, architects,  
17 surveyors, and landscape architects. Subject to section 26-34,



1 the construction authority shall consist of thirteen members as  
2 follows:

- 3 (1) One licensed general contractor appointed by the  
4 governor;
- 5 (2) One design professional appointed by the governor;
- 6 (3) Three members representing the construction trade  
7 unions appointed by the governor;
- 8 (4) One licensed general contractor appointed by the  
9 governor from a list of five nominees submitted by the  
10 senate president;
- 11 (5) One design professional appointed by the governor from  
12 a list of five nominees submitted by the senate  
13 president;
- 14 (6) One member representing the environmental community  
15 appointed by the governor from a list of five nominees  
16 submitted by the senate president;
- 17 (7) Four members representing the four counties,  
18 respectively, appointed by the governor from a list of  
19 nominees submitted by the speaker of the house of  
20 representatives; and



1 (8) One licensed subcontractor appointed by the governor  
2 from a list of five nominees submitted by the speaker  
3 of the house of representatives.

4 (b) The term of office of each member of the construction  
5 authority shall be for four years; provided that of the members  
6 initially appointed, four members shall serve for four years,  
7 four members shall serve for three years, and the remaining five  
8 members shall serve for two years. No person shall be appointed  
9 to more than two consecutive terms as a member of the  
10 construction authority. Vacancies shall be filled for the  
11 remainder of any unexpired term in the same manner as the  
12 original appointments.

13 (c) The chairperson and vice-chairperson of the  
14 construction authority shall be elected by a majority of the  
15 members of the construction authority.

16 (d) The members of the construction authority shall serve  
17 without compensation but shall be allowed their actual and  
18 necessary expenses incurred in the performance of their duties.

19 § -2 Powers and duties. (a) Except as otherwise  
20 limited by this chapter, the construction authority may:

21 (1) Sue and be sued;

22 (2) Have a seal and alter the same at pleasure;



- 1 (3) Appoint an executive director;
- 2 (4) Through its executive director, make and execute
- 3 contracts and all other instruments necessary or
- 4 convenient for the exercise of its powers and
- 5 functions under this chapter;
- 6 (5) Adopt rules pursuant to chapter 91 for its
- 7 organization and internal management and to implement
- 8 this chapter;
- 9 (6) Unless otherwise provided in this chapter, adopt rules
- 10 in accordance with chapter 91 with respect to its
- 11 projects, operations, properties, and facilities;
- 12 (7) Through its executive director, represent the
- 13 construction authority in communications with the
- 14 governor and the legislature;
- 15 (8) Through its executive director, provide for the
- 16 appointment of officers and employees, subject to the
- 17 approval of the construction authority, prescribing
- 18 their duties and qualifications, and fixing their
- 19 salaries, without regard to chapters 76 and 78;
- 20 (9) Through its executive director, purchase supplies,
- 21 equipment, or furniture;



1 (10) Through its executive director, allocate the space or  
2 spaces that are to be occupied by the construction  
3 authority and appropriate staff;

4 (11) Through its executive director, engage the services of  
5 consultants on a contractual basis for rendering  
6 professional and technical assistance and advice;

7 (12) Procure insurance against any loss in connection with  
8 its property and other assets and operations in  
9 amounts and from insurers as it deems desirable; and

10 (13) Contract for or accept revenues, compensation,  
11 proceeds, and gifts or grants in any form from any  
12 public agency or any other source.

13 (b) The construction authority shall do any and all things  
14 necessary to carry out its purposes, to exercise the powers and  
15 responsibilities given in this chapter, and to perform other  
16 functions required or authorized by law.

17 § -3 Meetings of the construction authority. (a) The  
18 meetings of the construction authority shall be open to the  
19 public as provided in section 92-3, except when it is necessary  
20 to enter into an executive meeting that is closed to the public.

21 (b) The construction authority shall be subject to the  
22 procedural requirements of section 92-4.



1           §   -4   **Construction authority special fund.** (a) There is  
2 established the construction authority special fund, into which  
3 shall be deposited:

4           (1) The revenues from the general excise tax levied upon  
5 contractors as provided in section 237-31;

6           (2) Fees and penalties relating to the licensing of  
7 contractors, electricians and plumbers, elevator  
8 mechanics, and professional engineers, architects,  
9 surveyors, and landscape architects;

10          (3) Appropriations by the legislature to the construction  
11 authority special fund;

12          (3) Gifts, grants, and other funds accepted by the  
13 construction authority; and

14          (4) All interest and revenues or receipts derived by the  
15 construction authority from any project or project  
16 agreements.

17          (b) Moneys in the construction authority special fund may  
18 be:

19          (1) Placed in interest-bearing accounts; provided that the  
20 depository in which the money is deposited furnishes  
21 security as provided in section 38-3; or



1           (2) Otherwise invested by the construction authority until  
2           such time as the moneys may be needed; provided that  
3           the authority shall limit its investments to those  
4           listed in section 36-21.

5           (c) Moneys in the construction authority special fund  
6 shall be used by the authority for the purposes of this chapter.

7                   **PART II. FACILITATION OF PERMIT PROCESSING**

8           § -11 **Definitions.** As used in this part, unless the  
9 context otherwise requires:

10           "Permit" means any license, permit, certificate,  
11 certification, approval, compliance schedule, or other similar  
12 document or decision pertaining to any regulatory or management  
13 program that is related to the protection, conservation, use of,  
14 or interference with the natural resources of land, air, or  
15 water in the State, and which is required prior to constructing  
16 or operating a project.

17           "Project" means any land or water use activity or any  
18 construction or operation that requires permits from one or more  
19 state agencies or permits from a state agency and a county or  
20 federal agency. Construction or operation of an activity may  
21 include but need not be limited to housing, industrial, and  
22 commercial operations and developments.



1           §   -12   **Facilitated application process.**   (a)   State  
2 agencies are required, and county agencies are authorized and  
3 encouraged, to participate in the facilitated application  
4 process set forth herein.

5           (b)   The construction authority shall serve as the lead  
6 agency for the facilitated application procedure and shall be  
7 the lead agency to administer the facilitated application  
8 procedure for any project that requires both county permit  
9 applications and state agency approval.

10          (c)   The procedure shall be as follows:

11          (1)   An applicant for two or more state permits may apply  
12                in writing to the construction authority requesting a  
13                facilitated application process for the consideration  
14                of the application.   The written request shall include  
15                sufficient data about the proposed project for the  
16                construction authority to determine which other  
17                agencies or authorities may have jurisdiction;

18          (2)   Upon receiving a written request for the facilitated  
19                application process, the construction authority shall  
20                notify all federal, state, and county agencies or  
21                authorities that the construction authority determines  
22                may have jurisdiction over part or all of the proposed





1 project, and require those state agencies or  
2 authorities and invite those county and federal  
3 agencies or authorities to participate in the  
4 facilitated application process;

5 (3) The applicant and each agency or authority required or  
6 agreeing to participate in the facilitated application  
7 process shall designate a representative to serve on  
8 the facilitated application review team;

9 (4) Any state agency or authority designated by the  
10 construction authority as a party to an application  
11 review that is not able to participate, shall submit  
12 an explanation, in writing, to the construction  
13 authority as to the reasons and circumstances for  
14 noncompliance;

15 (5) The representatives of the agencies, authorities, and  
16 the applicant may develop and sign a joint agreement  
17 among themselves identifying the members of the  
18 facilitated application review team, specifying the  
19 regulatory and review responsibilities of each  
20 government agency and setting forth the  
21 responsibilities of the applicant, and establishing a  
22 timetable for regulatory review, the conduct of



1 necessary hearings, preparation of an environmental  
2 impact statement if necessary, and other actions  
3 required to minimize duplication and coordinate the  
4 activities of the applicant, agencies, and  
5 authorities;

6 (6) Each agency or authority shall issue its own permit or  
7 approval based upon its own jurisdiction. The  
8 facilitated application process shall not affect or  
9 invalidate the jurisdiction or authority of any agency  
10 under existing law; and

11 (7) The applicant shall apply directly to each federal or  
12 county agency that does not participate in the  
13 facilitated application process.

14 (d) If a state regulatory permit is necessary to obtain a  
15 county permit, then a county agreeing to participate in the  
16 facilitated application process may advise the applicant of the  
17 facilitated application procedure. To apply for the facilitated  
18 application procedure, applicants for county permits involving  
19 state permit approvals shall submit a form, which shall be  
20 issued by the construction authority; provided that this  
21 procedure shall apply only to state permits that need to be  
22 approved by a state agency following a review of the plans and



1 certifications submitted by the applicant. State permits that  
2 are approved by rule require only that the licensed design  
3 professional certify that the plans and specifications are in  
4 compliance with state rules. No review by a state agency is  
5 required for state approval. Plans and specifications requiring  
6 state agency review shall be submitted with the facilitated  
7 application procedure to the appropriate state agency, with a  
8 copy to the construction authority. If a state permit is  
9 approved by rule, then the participating county shall provide a  
10 set of drawings and specifications submitted by the applicant to  
11 the state agency that developed the rules.

12 In developing the procedures for approval by rule and by  
13 review, permit requirements shall be clearly stated.  
14 Performance standards, rather than specific technologies or  
15 procedures, shall be specified when appropriate.

16 (e) For purposes of this section:

17 "Permit by review" means permits approved by the  
18 appropriate state departments.

19 "Permit by rule" means permits approved by administrative  
20 rule.

21 § -13 **Information services.** The construction authority  
22 shall:



1 (1) Operate a permit information and coordination center  
2 for public use during normal working hours, which  
3 provides guidance in regard to the permits and  
4 procedures that may apply to specific projects; and

5 (2) Maintain and update a repository of the laws, rules,  
6 procedures, permit requirements, and criteria of  
7 federal, state, and county agencies having control or  
8 regulatory power over land and water use for  
9 development or the control or regulatory power over  
10 natural, cultural, or environmental resources.

11 § -14 **Streamlining activities.** The construction  
12 authority may:

13 (1) Monitor permits on an ongoing basis to determine the  
14 source of inefficiencies, delays, and duplications and  
15 the status of permits in progress;

16 (2) Pursue the implementation of streamlining measures  
17 including but not necessarily limited to those  
18 measures defined in consultation with affected state  
19 agencies, county central coordinating agencies, and  
20 members of the public; and

21 (3) Design applications, checklists, and other forms  
22 essential to the implementation of approved



1           streamlining measures in coordination with involved  
2           state and county regulatory agencies, and members of  
3           the public.

4           §   -15   **Reporting.**   The construction authority shall  
5   report biennially to the legislature on actions taken, problems  
6   encountered, and legislative actions that may be needed to  
7   further implement the intent of this part."

8           SECTION 2.   Section 26-6, Hawaii Revised Statutes, is  
9   amended by amending subsection (b) to read as follows:

10          "(b)   The department shall:

- 11          (1)   Preaudit and conduct after-the-fact audits of the  
12               financial accounts of all state departments to  
13               determine the legality of expenditures and the  
14               accuracy of accounts;
- 15          (2)   Report to the governor and to each regular session of  
16               the legislature as to the finances of each department  
17               of the State;
- 18          (3)   Administer the state risk management program;
- 19          (4)   Establish and manage motor pools;
- 20          (5)   Manage the preservation and disposal of all records of  
21               the State;



- 1           (6) Undertake the program of centralized engineering and
- 2                   office leasing services, including operation and
- 3                   maintenance of public buildings, for departments of
- 4                   the State;
- 5           (7) Undertake the functions of the state surveyor;
- 6           (8) Establish accounting and internal control systems;
- 7           (9) Provide centralized computer information management
- 8                   and processing services, coordination in the use of
- 9                   all information processing equipment, software,
- 10                   facilities, and services in the executive branch of
- 11                   the State, and consultation and support services in
- 12                   the use of information processing and management
- 13                   technologies to improve the efficiency, effectiveness,
- 14                   and productivity of state government programs; [~~and~~]
- 15           (10) Establish, coordinate, and manage a program to provide
- 16                   a means for public access to public information and
- 17                   develop and operate an information network in
- 18                   conjunction with its overall plans for establishing a
- 19                   communication backbone for state government[-]; and
- 20           (11) Through the construction authority, procure all state
- 21                   contracts relating to construction; administer the
- 22                   facilitation of permit processing relating to



1           construction; and provide for the licensing of  
2           contractors, electricians and plumbers, elevator  
3           mechanics, and professional engineers, architects,  
4           surveyors, and landscape architects."

5           SECTION 3. Section 26-9, Hawaii Revised Statutes, is  
6 amended by amending subsection (c) to read as follows:

7           "(c) The board of acupuncture, board of public  
8 accountancy, board of barbering and cosmetology, boxing  
9 commission, board of chiropractic examiners, [~~contractors~~  
10 ~~license board,~~] board of dental examiners, [~~board of~~  
11 ~~electricians and plumbers, elevator mechanics licensing board,~~  
12 ~~board of professional engineers, architects, surveyors, and~~  
13 ~~landscape architects,~~] board of massage therapy, Hawaii medical  
14 board, motor vehicle industry licensing board, motor vehicle  
15 repair industry board, board of naturopathic medicine, board of  
16 nursing, board of examiners in optometry, pest control board,  
17 board of pharmacy, board of physical therapy, board of  
18 psychology, board of private detectives and guards, real estate  
19 commission, board of veterinary examiners, board of speech  
20 pathology and audiology, and any board, commission, program, or  
21 entity created pursuant to or specified by statute in  
22 furtherance of the purpose of this section including but not



1 limited to section 26H-4, or chapters 484, 514A, 514B, and 514E  
2 shall be placed within the department of commerce and consumer  
3 affairs for administrative purposes."

4 SECTION 4. Section 436B-2, Hawaii Revised Statutes, is  
5 amended by amending the definitions of "board", "department",  
6 and "director" to read as follows:

7 ""Board" means any board [~~or~~], commission, or authority  
8 which is created and authorized by statute to issue a  
9 professional or vocational license, and is established within or  
10 transferred to the department for administrative purposes or  
11 subject to the administrative control or supervision of the  
12 director.

13 "Department" means the department of commerce and consumer  
14 affairs[~~-~~] or the department of accounting and general services,  
15 as the case may be.

16 "Director" means the director of commerce and consumer  
17 affairs[~~-~~] or the comptroller, as the case may be."

18 Part II.

19 Construction Tax

20 SECTION 5. Section 237-31, Hawaii Revised Statutes, is  
21 amended to read as follows:





1           "**§237-31 Remittances.** All remittances of taxes imposed by  
2 this chapter shall be made by money, bank draft, check,  
3 cashier's check, money order, or certificate of deposit to the  
4 office of the department of taxation to which the return was  
5 transmitted. The department shall issue its receipts therefor  
6 to the taxpayer and shall pay the moneys into the state treasury  
7 as a state realization, to be kept and accounted for as provided  
8 by law; provided that:

9           (1) The sum from all general excise tax revenues realized  
10           by the State that represents the difference between  
11           \$45,000,000 and the proceeds from the sale of any  
12           general obligation bonds authorized for that fiscal  
13           year for the purposes of the state educational  
14           facilities improvement special fund shall be deposited  
15           in the state treasury in each fiscal year to the  
16           credit of the state educational facilities improvement  
17           special fund; [~~and~~]

18           (2) A sum, not to exceed \$5,000,000, from all general  
19           excise tax revenues realized by the State shall be  
20           deposited in the state treasury in each fiscal year to  
21           the credit of the compound interest bond reserve  
22           fund[-]; and





1 each project based on rules adopted by the  
2 [~~superintendent of education,~~] construction authority;

3 (3) Considering all factors, including quality, warranty,  
4 and delivery, the award shall be made to the vendor  
5 with the most advantageous quotation;

6 (4) The procurement requirements shall not be artificially  
7 divided or parceled so as to avoid competitive bidding  
8 or competitive proposals; and

9 (5) Formal design for projects shall be done when there is  
10 a clear need to preserve structural integrity, health  
11 and safety, or to clearly communicate construction  
12 requirements."

13 SECTION 7. Section 103D-203, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15 "(a) The chief procurement officer for each of the  
16 following state entities shall be:

17 (1) The judiciary--the administrative director of the  
18 courts;

19 (2) The senate--the president of the senate;

20 (3) The house of representatives--the speaker of the house  
21 of representatives;



1 (4) The office of Hawaiian affairs--the chairperson of the  
2 board;

3 (5) The University of Hawaii--the president of the  
4 University of Hawaii;

5 (6) The department of education, excluding the Hawaii  
6 public library system--the superintendent of  
7 education;

8 (7) The Hawaii health systems corporation--the chief  
9 executive officer of the Hawaii health systems  
10 corporation; and

11 (8) The remaining departments of the executive branch of  
12 the State and all governmental bodies administratively  
13 attached to them--the administrator of the state  
14 procurement office of the department of accounting and  
15 general services[-];

16 provided that for any procurement relating to construction, the  
17 chief procurement officer shall be the construction authority."

18 SECTION 8. Section 206E-11, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "**§206E-11 Construction contracts.** [~~The authority~~] With  
21 the approval of the Hawaii community development authority, the



1 construction authority shall award construction contracts in  
2 conformity with the applicable provisions of chapter 103D."

3 SECTION 9. Section 206J-9, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "§206J-9 **Construction contracts.** [The] With the approval  
6 of the development corporation the construction authority shall  
7 award construction contracts in conformity with chapter 103D and  
8 this chapter."

9 SECTION 10. Section 304A-105, Hawaii Revised Statutes, is  
10 amended by amending subsection (b) to read as follows:

11 "(b) The board of regents shall develop internal policies  
12 and procedures for the procurement of goods[~~7~~] and services[~~7~~  
13 ~~and construction~~], consistent with the goals of public  
14 accountability and public procurement practices, subject to  
15 chapter 103D."

16 Part IV.

17 Facilitation of Permit Processing

18 SECTION 11. Chapter 201, part IV, Hawaii Revised Statutes,  
19 is repealed.

20 The functions and responsibilities of the department of  
21 business, economic development, and tourism relating to  
22 facilitated permit processing are transferred to the



1 construction authority created in section 1 of this Act, as  
2 provided in section 26 of this Act.

3 Part V.

4 Contractors Licensing

5 SECTION 12. Section 444-1, Hawaii Revised Statutes, is  
6 amended as follows:

7 1. By adding a new definition to be appropriately inserted  
8 and to read as follows:

9 "Construction authority" means the construction authority  
10 established under section -1."

11 2. By amending the definitions of "department" and  
12 "investigator" to read as follows:

13 "Department" means the department of [commerce and  
14 consumer affairs.] accounting and general services.

15 "Investigator" means any person employed by the [department  
16 of commerce and consumer affairs] construction authority to  
17 investigate matters relating to any person who furnishes  
18 commodities or services for which a license is required from the  
19 [department or any board or commission thereunder.] authority."

20 3. By deleting the definitions of "board" and "director".

21 "Board" means the contractors license board.



1       ~~"Director" means the director of commerce and consumer~~  
2 ~~affairs.]"~~

3       SECTION 13. Section 444-15, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5       "(a) The biennial renewal fee or inactive license fee, and  
6 the recovery fund~~[7]~~ and education fund~~[7 and compliance,~~  
7 ~~resolution fund]~~ fees shall be paid to the ~~[board]~~ construction  
8 authority on or before September 30 of each even-numbered year.  
9 These fees shall be as provided in rules adopted by the  
10 ~~[director]~~ comptroller pursuant to chapter 91. Failure,  
11 neglect, or refusal of any licensee to pay these fees and to  
12 submit all documents required by the ~~[board]~~ construction  
13 authority on or before September 30 of each even-numbered year  
14 shall constitute a forfeiture of the licensee's license."

15       SECTION 14. Section 444-3, Hawaii Revised Statutes, is  
16 repealed.

17       ~~["§444-3 Contractors license board. (a) There shall be a~~  
18 ~~contractors license board of thirteen members.~~

19       ~~(b) Of the board members:~~

20       ~~(1) Ten shall be contractors who have been actively~~  
21       ~~engaged in the contracting business for a period of~~



1           ~~not less than five years preceding the date of their~~  
2           ~~appointment;~~

3           ~~(2) Five shall be general engineering or building~~  
4           ~~contractors, five shall be specialty contractors, and~~  
5           ~~three shall be noncontractors. No member shall~~  
6           ~~receive any compensation for the member's services,~~  
7           ~~but each shall be reimbursed for necessary traveling~~  
8           ~~expenses incurred in the performance of duties.~~

9           ~~(c) Each county shall be represented on the board.~~

10           ~~(d) No one, except the three noncontractor members, shall~~  
11 ~~be eligible for appointment who does not at the time of the~~  
12 ~~member's appointment hold a valid and unexpired license to~~  
13 ~~operate as a contractor." ]~~

14           SECTION 15. The revisor of statutes shall:

15           (1) Substitute the terms "contractors license board",  
16           "board", or like terms appearing in chapter 444 and  
17           sections 28-8.3, 103-10.5, and 507-47, Hawaii Revised  
18           Statutes, with the term "construction authority" or  
19           like terms; and

20           (2) Substitute the terms "department of commerce and  
21           consumer affairs", "director", or like terms,  
22           appearing in chapter 444, Hawaii Revised Statutes,





1 with the terms "department of accounting and general  
 2 services" and "comptroller" or like terms;  
 3 as appropriate and necessary and as the context requires.

4 Part VI.

5 Electricians and Plumbers Licensing

6 SECTION 16. Section 448E-1, Hawaii Revised Statutes, is  
 7 amended as follows:

8 1. By adding a new definition to be appropriately inserted  
 9 and to read as follows:

10 "Construction authority" means the construction authority  
 11 established under section -1."

12 2. By deleting the definition of "board".

13 [~~"Board" means the board of electricians and plumbers."~~]

14 SECTION 17. Section 448E-2, Hawaii Revised Statutes, is  
 15 repealed.

16 [~~§448E-2 Board; appointment. There is established the~~  
 17 ~~board of electricians and plumbers consisting of seven members.~~  
 18 ~~Two of the members shall be engaged in the electrical trade and~~  
 19 ~~two of the members shall be engaged in the plumbing trade.~~  
 20 ~~Three of the members shall be private citizens not connected~~  
 21 ~~with the industry."]~~

22 SECTION 18. The revisor of statutes shall:



- 1 (1) Substitute the terms "board of electricians and
- 2 plumbers", "board", or like terms appearing in chapter
- 3 448E, Hawaii Revised Statutes, with the term
- 4 "construction authority" or like terms; and
- 5 (2) Substitute the term "director", or like terms,
- 6 appearing in chapter 448E, Hawaii Revised Statutes,
- 7 with the term "comptroller" or like terms;
- 8 as appropriate and necessary, and as the context requires.

9 Part VII.

10 Elevator Mechanics Licensing

11 SECTION 19. Section 448H-1, Hawaii Revised Statutes, is  
12 amended as follows:

13 1. By adding a new definition to be appropriately inserted  
14 and to read as follows:

15 "Construction authority" means the construction authority  
16 established under section -1."

17 2. By deleting the definition of "board".

18 [~~"Board" means the elevator mechanics licensing board~~  
19 ~~created by this chapter."~~]

20 SECTION 20. Section 448H-3, Hawaii Revised Statutes, is  
21 repealed.



1       ~~["§448H-3 Elevator mechanics licensing board; appointment;~~  
2 ~~organization. There is created an elevator mechanics licensing~~  
3 ~~board within the department of commerce and consumer affairs for~~  
4 ~~administrative purposes. The board shall consist of seven~~  
5 ~~members: four shall be licensed elevator mechanics, two shall~~  
6 ~~be public members not connected or associated with the elevator~~  
7 ~~or building industry, and one shall be the director of labor and~~  
8 ~~industrial relations or the director's designee who is an~~  
9 ~~employee of the department of labor and industrial relations and~~  
10 ~~has expertise in elevator and escalator installation and~~  
11 ~~maintenance."]~~

12       SECTION 21. The revisor of statutes shall:

13       (1) Substitute the terms "elevator mechanics licensing  
14       board", "board", or like terms appearing in chapter  
15       448H, Hawaii Revised Statutes, with the term  
16       "construction authority" or like terms; and

17       (2) Substitute the terms "department of commerce and  
18       consumer affairs", "director", or like terms,  
19       appearing in chapter 448E, Hawaii Revised Statutes,  
20       with the terms "department of accounting and general  
21       services" and "comptroller" or like terms;

22 as appropriate and necessary, and as the context requires.



Part VIII.

Professional Engineers, Architects, Surveyors,  
and Landscape Architects Licensing

SECTION 22. Section 464-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Construction authority" means the construction authority established under section -1."

SECTION 23. Section 464-7, Hawaii Revised Statutes, is amended to read as follows:

**"§464-7 Powers and duties of [~~board; secretary;~~ construction authority; records.]** In addition to any other powers and duties authorized by law, the [~~board~~] construction authority may compel the attendance of witnesses upon subpoena, administer oaths, take testimony, and do all other things necessary and proper to carry out this chapter in all matters within its jurisdiction. It shall [~~adopt and have an official seal and~~] adopt, subject to chapter 91 and with the approval of the governor and the [~~director of commerce and consumer affairs,~~] comptroller, rules for the performance of its duties and the carrying on of its business and the enforcement of this chapter, including, but not limited to, rules which define the



1 branches of engineering in which licensure shall be offered,  
2 clarify the qualifications needed for licensure, and set forth  
3 practice requirements. [~~It shall have a chairperson, a vice-~~  
4 ~~chairperson, and a secretary, and a quorum shall consist of not~~  
5 ~~less than six members.~~]

6 The [~~board~~] construction authority shall keep a record of  
7 its proceedings and all applicants for licensure as engineers,  
8 architects, surveyors, or landscape architects, the date of  
9 application, name, educational and other qualifications,  
10 address, whether or not an examination was required, and whether  
11 or not the applicant was licensed and a certificate issued to  
12 the applicant and the date of the action. The records shall be  
13 prima facie evidence of all matters therein contained."

14 SECTION 24. Section 464-6, Hawaii Revised Statutes, is  
15 repealed.

16 [~~§464-6 Board of professional engineers, etc., members;~~  
17 ~~appointment; tenure; qualifications. There shall be a state~~  
18 ~~board of professional engineers, architects, surveyors, and~~  
19 ~~landscape architects hereinafter called "the board". The board~~  
20 ~~shall consist of fourteen members, including at least four~~  
21 ~~professional engineers, three professional architects, two~~  
22 ~~professional surveyors, two professional landscape architects,~~



1 ~~and three public members. Each county shall be represented by~~  
2 ~~at least one member who is a resident of the county. Each~~  
3 ~~member shall hold over after the expiration of the member's term~~  
4 ~~until the member's successor is duly appointed and qualified.~~

5 ~~Each member shall have been a resident of the State for at~~  
6 ~~least three years. A member representing the profession shall~~  
7 ~~have been engaged in the practice of the member's profession for~~  
8 ~~at least five years immediately preceding the date of the~~  
9 ~~member's appointment. Any member of the board who incurs~~  
10 ~~expenses in connection with the preparation and grading of~~  
11 ~~examination papers shall be reimbursed for those expenses with~~  
12 ~~the approval of the department." ]~~

13 SECTION 25. The revisor of statutes shall substitute the  
14 term "board" or like terms in chapter 464, Hawaii Revised  
15 Statutes, with the term "construction authority" or like terms,  
16 as the context requires.

17 Part IX.

18 Transfer of Functions.

19 SECTION 26. All rights, powers, functions, and duties of  
20 the contractors licensing board, board of electricians and  
21 plumbers, elevator mechanics licensing board, board of  
22 professional engineers, architects, surveyors, and landscape



1 architects, the department of business, economic development,  
2 and tourism relating to the facilitation of permit processing,  
3 and the office of Hawaiian affairs, the University of Hawaii,  
4 the department of education, and the department of accounting  
5 and general services relating to the procurement of construction  
6 contracts are transferred to the construction authority.

7 All officers and employees whose functions are transferred  
8 by this Act shall be transferred with their functions and shall  
9 continue to perform their regular duties upon their transfer,  
10 subject to the state personnel laws and this Act.

11 No officer or employee of the State having tenure shall  
12 suffer any loss of salary, seniority, prior service credit,  
13 vacation, sick leave, or other employee benefit or privilege as  
14 a consequence of this Act, and such officer or employee may be  
15 transferred or appointed to a civil service position without the  
16 necessity of examination; provided that the officer or employee  
17 possesses the minimum qualifications for the position to which  
18 transferred or appointed; and provided that subsequent changes  
19 in status may be made pursuant to applicable civil service and  
20 compensation laws.

21 An officer or employee of the State who does not have  
22 tenure and who may be transferred or appointed to a civil



1 service position as a consequence of this Act shall become a  
2 civil service employee without the loss of salary, seniority,  
3 prior service credit, vacation, sick leave, or other employee  
4 benefits or privileges and without the necessity of examination;  
5 provided that such officer or employee possesses the minimum  
6 qualifications for the position to which transferred or  
7 appointed.

8 If an office or position held by an officer or employee  
9 having tenure is abolished, the officer or employee shall not  
10 thereby be separated from public employment, but shall remain in  
11 the employment of the State with the same pay and classification  
12 and shall be transferred to some other office or position for  
13 which the officer or employee is eligible under the personnel  
14 laws of the State as determined by the head of the department or  
15 the governor.

16 SECTION 27. All appropriations, records, equipment,  
17 machines, files, supplies, contracts, books, papers, documents,  
18 maps, and other personal property heretofore made, used,  
19 acquired, or held by the department of commerce and consumer  
20 affairs, the department of business, economic development, and  
21 tourism, the department of education, the University of Hawaii,  
22 the office of Hawaiian affairs, relating to the functions





1 transferred to the department of accounting and general services  
2 shall be transferred with the functions to which they relate.

3 SECTION 28. All rules, policies, procedures, guidelines,  
4 and other material adopted or developed by the contractors  
5 license board, board of electricians and plumbers, elevator  
6 mechanics licensing board, board of professional engineers,  
7 architects, surveyors, and landscape architects, the department  
8 of business, economic development, and tourism, the department  
9 of education, the University of Hawaii, and the office of  
10 Hawaiian affairs to implement provisions of the Hawaii Revised  
11 Statutes which are reenacted or made applicable to the  
12 construction authority by this Act, shall remain in full force  
13 and effect until amended or repealed by the construction  
14 authority pursuant to chapter 91, Hawaii Revised Statutes. In  
15 the interim, every reference to the contractors license board,  
16 board of electricians and plumbers, elevator mechanics licensing  
17 board, board of professional engineers, architects, surveyors,  
18 and landscape architects, the department of business, economic  
19 development, and tourism, the department of education, the  
20 University of Hawaii, the office of Hawaiian affairs, or the  
21 director of business, economic development, and tourism, the  
22 superintendent of education, the president of the University of



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1 Hawaii, chair of the board of trustees of the office of Hawaiian  
2 affairs, in those rules, policies, procedures, guidelines, and  
3 other material is amended to refer to the construction authority  
4 or the chairperson of the construction authority as appropriate.



5 SECTION 29. This Act does not affect rights and duties  
6 that matured, penalties that were incurred, and proceedings that  
7 were begun before its effective date.

8 SECTION 30. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 31. This Act shall take effect on July 1, 2010.

11

INTRODUCED BY: \_\_\_\_\_

  
  
\_\_\_\_\_

JAN 13 2010



**Report Title:**

Construction Authority

**Description:**

Establishes a construction authority to be attached to the department of accounting and general services to oversee statewide procurement for construction, the facilitation of permit processing, and professional and vocational licensing of contractors, electricians, plumbers, elevator mechanics, professional engineers, architects, surveyors, and landscape architects. Creates a special fund funded by professional licensing fees and the general excise tax upon contractors.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

