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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 444-17, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§444-17 Revocation, suspension, and renewal of licenses.**

4 In addition to any other actions authorized by law, the board  
5 may revoke any license issued pursuant to this section, or  
6 suspend the right of a licensee to use a license, or refuse to  
7 renew a license for any cause authorized by law, including:

- 8 (1) Any dishonest, fraudulent, or deceitful act as a  
9 contractor that causes substantial damage to another;
- 10 (2) Engaging in any unfair or deceptive act or practice as  
11 prohibited by section 480-2;
- 12 (3) Abandonment of any construction project or operation  
13 without reasonable or legal excuse;
- 14 (4) Wilful diversion of funds or property received for  
15 prosecution or completion of a specific construction  
16 project or operation, or for a specified purpose in  
17 the prosecution or completion of any construction



- 1 project or operation, and the use thereof for any  
2 other purpose;
- 3 (5) Wilful departure from, or wilful disregard of plans or  
4 specifications in any material respect without consent  
5 of the owner or the owner's duly authorized  
6 representative, that is prejudicial to a person  
7 entitled to have the construction project or operation  
8 completed in accordance with those plans and  
9 specifications;
- 10 (6) Wilful violation of any law of the State, or any  
11 county, relating to building, including any violation  
12 of any applicable rule of the department of health, or  
13 of any applicable safety or labor law;
- 14 (7) Failure to make and keep records showing all  
15 contracts, documents, records, receipts, and  
16 disbursements by a licensee of all the licensee's  
17 transactions as a contractor for a period of not less  
18 than three years after completion of any construction  
19 project or operation to which the records refer or to  
20 permit inspection of those records by the board;
- 21 (8) When the licensee being a partnership or a joint  
22 venture permits any partner, member, or employee of



- 1 the partnership or joint venture who does not hold a  
2 license to have the direct management of the  
3 contracting business thereof;
- 4 (9) When the licensee being a corporation permits any  
5 officer or employee of the corporation who does not  
6 hold a license to have the direct management of the  
7 contracting business thereof;
- 8 (10) Misrepresentation of a material fact by an applicant  
9 in obtaining a license;
- 10 (11) Failure of a licensee to complete in a material  
11 respect any construction project or operation for the  
12 agreed price if the failure is without legal excuse;
- 13 (12) Wilful failure in any material respect to comply with  
14 this chapter or the rules adopted pursuant thereto;
- 15 (13) Wilful failure or refusal to prosecute a project or  
16 operation to completion with reasonable diligence;
- 17 (14) Wilful failure to pay when due a debt incurred for  
18 services or materials rendered or purchased in  
19 connection with the licensee's operations as a  
20 contractor when the licensee has the ability to pay or  
21 when the licensee has received sufficient funds  
22 therefor as payment for the particular operation for



- 1           which the services or materials were rendered or  
2           purchased;
- 3           (15) The false denial of any debt due or the validity of  
4           the claim therefor with intent to secure for a  
5           licensee, the licensee's employer, or other person,  
6           any discount of the debt or with intent to hinder,  
7           delay, or defraud the person to whom the debt is due;
- 8           (16) Failure to secure or maintain workers' compensation  
9           insurance, unless the licensee is authorized to act as  
10          a self-insurer under chapter 386 or is excluded from  
11          the requirements of chapter 386;
- 12          (17) Entering into a contract with an unlicensed contractor  
13          involving work or activity for the performance of  
14          which licensing is required under this chapter;
- 15          (18) Performing service on a residential or commercial air  
16          conditioner using CFCs without using refrigerant  
17          recovery and recycling equipment;
- 18          (19) Performing service on any air conditioner after  
19          January 1, 1994, without successful completion of an  
20          appropriate training course in the recovery and  
21          recycling of CFC and HCFC refrigerants, which included  
22          instruction in the proper use of refrigerant recovery



- 1 and recycling equipment that is certified by  
2 Underwriters Laboratories, Incorporated;
- 3 (20) Violating chapter 342C;
- 4 (21) Failure to pay delinquent taxes, interest, and  
5 penalties assessed under chapter 237 that relate to  
6 the business of contracting, or to comply with the  
7 terms of a conditional payment plan with the  
8 department of taxation for the payment of such  
9 delinquent taxes, interest, and penalties; and
- 10 (22) Knowingly or intentionally employing a person [~~to~~  
11 ~~perform work under a contract subject to chapter 104]~~  
12 who is not eligible to work in the United States under  
13 federal law[-] to perform work on any project or  
14 operation."

15 SECTION 2. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 3. This Act shall take effect upon approval;  
18 provided that this Act shall be repealed on June 30, 2013, and  
19 section 444-17, Hawaii Revised Statutes, shall be reenacted in  
20 the form in which it read on the day prior to the effective date  
21 of this Act.



**Report Title:**

Contractor License; Revocation or Suspension; Illegal Worker

**Description:**

Subjects a contractor to revocation, suspension, or nonrenewal of its license for knowingly or intentionally employing a person on any project or operation who is not eligible to work in the United States under federal law. (SD1)

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

