



GOV. MSG. NO. 646

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 30, 2010

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 30, 2010, the following bill was signed into law:

HB2897 HD1 SD1

A BILL FOR AN ACT
RELATING TO CONTRACTORS.
ACT 185 (10)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

Approved by the Governor
on JUN 30 2010

HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2010
STATE OF HAWAII

ACT 185

H.B. NO. 2897
H.D. 1
S.D. 1

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.



H.B. NO. 2897
H.D. 1
S.D. 1

APPROVED this 30 day of JUN , 2010



GOVERNOR OF THE STATE OF HAWAII