

Honolulu, Hawaii

FEB 12, 2010

RE: H.B. No. 2899
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2899 entitled:

"A BILL FOR AN ACT RELATING TO CONSTRUCTION SITES,"

begs leave to report as follows:

The purpose of this bill is to improve enforcement of contracting laws by:

- (1) Establishing a Construction Site Inspection Task Force (Task Force) consisting of representatives from the Department of Commerce and Consumer Affairs (DCCA), Department of Labor and Industrial Relations (DLIR), Department of Taxation (DOTAX), and each county permitting department, to coordinate activities to deter tax evasion, unlicensed contractor activity, and workplace safety violations; and
- (2) Authorizing the Task Force to form joint enforcement teams to inspect construction sites, establish procedures for soliciting referrals from the public, develop procedures to permit the use of civil sanctions instead of criminal actions, and evaluate the need for statutory changes.

The Subcontractors Association of Hawaii; Pacific Resource Partnership; General Contractors Association; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Laborers' Union;

HB2899 HD1 HSCR CPC HMS 2010-1788



Building Industry Association of Hawaii; and a concerned individual testified in support of this bill. DLIR supported the intent of this measure. DCCA's Regulated Industries Complaints Office, the Contractors License Board, and a concerned individual provided comments.

Your Committee finds that "underground" construction operations that ignore contractor and other related industry requirements harm the state's economy, workforce, and consumers. This bill creates the Task Force to facilitate a coordinated effort between the State and the counties to improve the enforcement of laws regulating Hawaii's construction industry.

However, there are concerns regarding the impact this bill would have on state departments already struggling to carry out core functions in the current economy. The ability of Task Force agencies to commit resources under this bill depends upon the staffing and budgets of the participating departments. There are also practical challenges in coordinating tasks among several departments.

Accordingly, your Committee has amended this bill by:

- (1) Restricting the purpose of the Task Force to addressing unlicensed contractor activity;
- (2) Eliminating the representatives from DLIR and DOTAX from the Task Force;
- (3) Providing for a \$20 increase in Compliance Resolution Fund fees paid by licensed contractors, to fund the Task Force; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2899, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



