

Honolulu, Hawaii

March 17, 2010

RE: S.B. No. 2220
S.D. 1
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 S.B. No. 2220, S.D. 1, 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 establishing a Construction Site Inspection Task Force (Task Force) to analyze the feasibility and potential complications of investigating and inspecting construction sites for unlicensed contractors, undocumented workers, and workplace safety violations. This bill requires the Task Force to submit a report to the 2011 Legislature.

The General Contractors Association of Hawaii and Subcontractors Association of Hawaii testified in support of this bill. The Contractors License Board supported the intent of this measure. The Department of Commerce and Consumer Affairs and Department of Labor and Industrial Relations (DLIR) offered comments.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 2899, H.D. 1, which was reported out earlier by your Committee. As amended, this bill:



- (1) Changes the focus of the Task Force to one of actively addressing the problem rather than evaluating and discussing ways to improve the process;
- (2) Inserts the contents of this bill in Chapter 444, Hawaii Revised Statutes;
- (3) Eliminates two state departments and three divisions from DLIR from representation on the Task Force;
- (4) Requires the Task Force to facilitate and encourage the development and sharing of information by participating agencies necessary to combat unlicensed contractor activity;
- (5) Authorizes the formation of joint enforcement teams to conduct inspections of sites suspected of engaging in unlicensed contractor activity;
- (6) Deletes the requirement that the Task Force evaluate the need to enter property at reasonable times and without prior notice to investigate and inspect construction sites, and gives the Task Force the authority to do so;
- (7) Requires the Task Force to submit annual reports to the Legislature; and
- (8) Provides for a \$20 increase in Compliance Resolution Fund fees paid by licensed contractors to fund the operations of the Task Force.

Technical, nonsubstantive amendments were also made for clarity, consistency, 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 S.B. No. 2220, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2220, S.D. 1, 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



