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PRESENTATION OF
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-FIFTH STATE LEGISLATURE
REGULAR SESSION, 2010

WEDNESDAY, MARCH 10, 2010
2:00 P.M.

TESTIMONY ON SENATE BILL NO. 2220 S.D.1
RELATING TO CONSTRUCTION SITES

TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND TO THE HONORABLE GLENN WAKAI, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on Senate Bill No. 2220 S.D.1, Relating To Construction Sites. My name is Jo Ann Uchida, Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). RICO offers the following comments on the bill.

Senate Bill No. 2220 S.D.1 requires the Department to convene a construction site inspection task force to analyze whether implementing a task force to investigate and inspect construction sites for unlicensed contractors,

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March 10, 2010
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undocumented workers, and workplace safety violations is feasible. Task Force members shall include representatives from the Department, Office of the Attorney General, the Disability Compensation, Occupational Safety and Health, and Unemployment Divisions of the Department of Labor and Industrial Relations, and the Department of Taxation. The Task Force is required to submit its findings to the Legislature prior to the 2011 legislative session.

RICO acknowledges that the purpose and provisions of the bill are laudable and appreciates any initiative that will facilitate more effective enforcement of State contracting laws. RICO notes, however, that the ability of the Task Force to devote resources to carry out its mandates will be dependent upon the staffing and budgets of the participating departments. The current economic situation of State government would not appear to be conducive to adding additional responsibilities at this time. We therefore urge the Committee to take serious consideration of the budgetary constraints each department faces before creating new responsibilities.

Thank you for this opportunity to testify on Senate Bill No. 2220 S.D.1. I will be happy to answer any questions that the members of the Committee may have.

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

**TO THE HOUSE COMMITTEE
ON CONSUMER PROTECTION & COMMERCE**

**TWENTY-FIFTH LEGISLATURE
Regular Session of 2010**

**Wednesday, March 10, 2010
2:00 p.m.**

**TESTIMONY ON SENATE BILL NO. 2220, S.D. 1, RELATING TO CONSTRUCTION
SITES.**

**TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND MEMBERS OF THE COMMITTEE:**

My name is Denny Sadowski, Legislative Chair of the Contractors License Board ("Board"). Thank you for this opportunity to present testimony on Senate Bill No. 2220, S.D. 1, which establishes a construction site inspection task force to study the feasibility of implementing a task force to investigate and inspect construction sites for unlicensed contractors, undocumented workers, and workplace safety violations.

The Board supports the intent of this bill, as unlicensed activity continues to be a problem in the construction industry. We defer to the Department of Commerce and Consumer Affairs on whether it has the resources to undertake this responsibility at this time.

Thank you for the opportunity to testify on this measure.

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

March 9, 2010

TO: THE HONORABLE REPRESENTATIVE ROBERT N. HERKES, CHAIR AND
MEMBERS OF THE COMMITTEE ON CONSUMER PROTECTION &
COMMERCE

SUBJECT: S.B. 2220, SD1 RELATING TO CONSTRUCTION SITES.

NOTICE OF HEARING

DATE: Wednesday, March 10, 2010

TIME: 2:00pm

PLACE: Conference Room 325

Dear Chair and Members of the Committee:

The General Contractors Association (GCA), an organization comprised of over five hundred and seventy (570) general contractors, subcontractors, and construction related firms, **supports** the passage of S.B. 2220, SD1 Relating to Construction Sites. This bill would create a construction site inspection task force to investigate and inspect construction sites for unlicensed contractors, illegal workers, and workplace safety violations.

The GCA feels that such a joint task force could more effectively and, in the long term, more economically deal with those that deliberately violate contractor licensing, labor and safety laws. There is also a provision to establish procedures for soliciting referrals from the public via telephone hotline and sharing of automated data systems. All of which should lead to more effective and timely responses to alleged unlicensed, illegal or unsafe construction site activities.

The GCA **supports** the passage of S.B. 2220, SD1 Relating to Construction Sites.

Thank you for the opportunity to provide our views on this issue.

SAH - Subcontractors Association of Hawaii

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March 10, 2010

Testimony To: House Committee on Consumer Protection & Commerce
Representative Robert N. Herkes, Chair

Presented By: Tim Lyons
President

Subject: S.B. 2220, SD 1 – RELATING TO CONSTRUCTION SITES.

Chair Herkes and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. SAH is composed of nine separate and distinct subcontracting organizations including:

ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

TILE CONTRACTORS PROMOTIONAL PROGRAM

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII

SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII

PAINTING AND DECORATING CONTRACTORS ASSOCIATION

PACIFIC INSULATION CONTRACTORS ASSOCIATION

We support this bill.

The subject of unlicensed contractors has long been a thorn in the side of contractors. Various sessions of the legislature have dealt with this subject matter establishing everything from forfeiture penalties to the lack of protection for homeowners that use unlicensed contractors. Unfortunately, the problem persists. On the one hand, we feel that the problem persists because the greed factor is at work and people feel they can get a job done cheaper, even though they often times will have to wind up paying more for it later on. The other side is the lack of education and/or enforcement of current and existing laws. We believe this is an example of that situation. No new laws are needed (with the exception of this bill) in order to establish the framework for these investigations.

Unfortunately, in the past, government agencies have had their blinders on and have restricted their activity and their concerns to only THEIR laws. It is typical, we have discovered, that when a contractor is unlicensed and in violation of the law, he is also in violation of a LARGE number of other laws including immigration, hiring employees, paying taxes and having the proper insurance as well as, affording consumers the protection that they deserve when dealing with a contractor.

Due to timing issues, the Senate version had the benefit of a more full discussion of the matter and SD 1 reflects what we believe is a more realistic approach to begin this process.

Based on the above, we can highly recommend your support.