

**SB 2793**

JAN 25 2010

S.B. NO. 2793

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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. By January 1, 2011, the contractor license  
2 board shall modify and consolidate existing classifications or  
3 subclassifications of general engineering contractors, general  
4 building contractors, and specialty contractors, that are  
5 presently described in Specialty Contractor Classifications,  
6 incorporated in Exhibit A referenced in Hawaii Administrative  
7 Rules section 16-77-28, into not more than  
8 classifications.

9           SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY:

Norman Sakuma



**Report Title:**

Contractors; Classifications; Contractor License Board

**Description:**

Requires the contractor license board to modify and consolidate the number of classifications or subclassifications into no more than            classifications, by not later than January 1, 2011.

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



**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

**TO THE SENATE COMMITTEE ON COMMERCE  
AND CONSUMER PROTECTION**

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

**Wednesday, February 3, 2010  
8:30 a.m.**

**TESTIMONY ON SENATE BILL NO. 2793, RELATING TO CONTRACTORS.**

**TO THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND MEMBERS OF THE COMMITTEE:**

My name is Denny Sadowski, Legislative Chair of the Contractors License Board ("Board"). Thank you for the opportunity to testify on Senate Bill No. 2793, which proposes to limit the number of specialty contractor classifications that may be established by the Board.

The Board has not formed an opinion regarding this issue, as we have not had an opportunity to discuss this bill. Furthermore, the Board's opinion will likely depend on the number of classifications that will be allowed under the statute; however, this information is not provided in the bill.

The Board will be discussing this matter at its meeting on February 19, 2010.

Thank you for allowing us to comment on this measure.

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Honolulu, HI 96819  
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**GCA of Hawaii**

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

February 2, 2010

TO: THE HONORABLE SENATOR ROSALYN H. BAKER, CHAIR AND MEMBERS OF  
THE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 2793, RELATING TO CONTRACTORS.

AMENDED NOTICE OF HEARING

DATE: Wednesday, February 03, 2010  
TIME: ~~9:00 a.m.~~ 8:30 a.m.  
PLACE: Conference Room 229

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, **strongly supports** the passage of S.B. 2793 Relating to Contractors.

Chapter 444 specifically mentions General Engineering, General Building and nine specialty classifications:

Electrical	Carpet Laying
Drywall	Plumbing
Painting & Decorating	Roofing
Landscaping	Asbestos
Flooring	

Over the years this list has grown to over 110. This combined with the subcontractor listing requirements of Chapter 103D is making it increasingly difficult to submit a competitive sealed bid that is not subject to a bid protest. The public is paying more for its public works projects and awards of public works projects are delayed because of differences in interpretation of the subcontractor listing requirements and the increasingly restrictive manner in which the listing law is interpreted.

We **recommend** that the number of specialty classifications be limited to 16, the number of primary divisions listed in the original Construction Specifications Institute MasterFormat plus one for classified specialist. Furthermore any classification created without a public hearing shall not necessarily preclude other license classifications from performing the work.

Making this consolidation and changes in Chapter 444 Contractors will reduce the difficulties and costs of contracting in the State of Hawaii. One of the major benefits would be the reduction in costs and increase in efficiencies in the implementation of HRS 103D Hawaii Procurement Code.

The GCA **strongly supports** the passage of S.B. 2793 with the modifications we suggest.

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

# ***SAH - Subcontractors Association of Hawaii***

***1188 Bishop St., Ste. 1003\*\*Honolulu, Hawaii 96813-2938***

***Phone: (808) 537-5619 ✦ Fax: (808) 533-2739***

February 3, 2010

Testimony To: Senate Committee on Commerce and Consumer Protection  
Senator Rosalyn H. Baker, Chair

Presented By: Tim Lyons  
President

Subject: S.B. 2793 – RELATING TO CONTRACTORS.

Chair Baker 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 do not support this bill.

While we would find it difficult to argue that there are more than enough specialty classifications, we also find that as time has gone on and the industry has matured technology has outpaced the law. In many different specialty classifications advances in technology have presented new products that install totally dissimilar to old products and in many cases the License Board, as well as the industry, have concluded that because you can do one kind of roof does not necessarily mean you can do another kind of roof.

The idea behind the contractors license law is consumer protection. The most important part is that the consumer be talking to a potential contractor that they wish to hire that has met the minimum experience requirements and has been tested on that knowledge. The unfortunate downfall to specialization is that often times ignorance about products that technically fall within your own profession are something foreign.

We do not think that there is any magic number that this bill could place into the statute that would make more or less sense. It would be an arbitrary and very subjective number that someone would grab out of thin air. The specialty contractor classifications are currently initiated, developed, and refined by the Contractors License Board via administrative rules. The legislative auditor many years ago criticized the Board for having too many categories however, they had a difficult time as well saying how many there should be. We think that the subject matter of this bill makes sense. This Committee may want to encourage the Contractors License Board to refrain from inventing too many

additional classifications however, the ones that they do invent should be founded and based upon the competent installation of a majority of contractors within that specialty. Then, we believe, you will achieve the intent of the law.

Based on the above, we cannot recommend the adoption of this bill.

Thank you.





ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

NECA Hawai'i Chapter  
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February 2, 2010

To: The Honorable Senator Rosalyn Baker, Chair  
And the Members of the Committee on Commerce and Consumer Protection

From: Al Itamoto, Executive Director  
Electrical Contractors Association of Hawaii  
National Electrical Contractors Association, Hawaii Chapter

Subject: SB 2793, Relating to Contractors

Notice of Hearing

Date: Wednesday, February 3, 2010  
Time: 9:00 AM  
Place: Conference Room 229  
State Capitol  
415 South Beretania Street

Dear Chair Baker and Committee members:

The Electrical Contractors Association of Hawaii (ECAH) is a non-profit association consisting of electrical contractors that are signatory to a collective bargaining agreement with IBEW Local Union 1186. ECAH conditionally **opposes** SB 2793 requiring the Contractors License Board to consolidate the number of classifications or sub-classifications pending the decision on which licenses are consolidated.

The electricians, plumbers and elevator mechanics are the licensed crafts that should remain individually licensed in their own category. Consolidating other specialty licenses with the licensed crafts will create jurisdictional problems and a confusion of the authorized personnel working in these specialty crafts on the job site. The objective of maintaining such policy is for public safety, utilizing the proper skilled worker to the work performed and the enforcement of licensing statues currently in place.

ECAH conditionally **opposes** the passage of SB 2793 until more information is available.

Thank you for the opportunity to provide testimony on this issue.

# IRONWORKERS STABILIZATION FUND

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February 1, 2010

Roslyn Baker, Chair  
Committee on Commerce and Consumer Protection  
Senate  
State Capitol  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Dear Honorable Chair Baker and Members of the Committee on Commerce and Consumer Protection:

Re: Opposition for SB 2793 – Relating to Contractors

We wish to state we are in strong opposition of SB 2793, Relating to Contractors, that requires the contractor license board to modify and consolidate the number of classifications and sub-classifications.

The purpose of having General Contractors License and Subcontractors License was to ensure the public safety is kept. Each license holder must meet certain requirements to have a license including years of experience, training and/or testing. Without these requirements the safety of our friends and family is at risk. That is why when the State Legislature enacted the law to create Contractors and Subcontractors license it was to ensure that we don't have structures collapsing on our families.

We strongly oppose this measure for the safety of the public. Thank you for your time and consideration.

Sincerely,

T. George Paris /s/  
Managing Director