

MAR 16 2011

SENATE CONCURRENT RESOLUTION

REQUESTING THE CONVENING OF A TASK FORCE ON ENFORCEMENT OF
UNLICENSED CONTRACTOR ACTIVITY.

1 WHEREAS, unlicensed contractors generally do not possess
2 the necessary training and experience to obtain licensure and
3 rarely maintain workers' compensation and liability insurance as
4 required by state law; and

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6 WHEREAS, many unlicensed contractors receive or pay wages
7 in cash in order to avoid unemployment insurance, payroll, and
8 income tax obligations; and

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10 WHEREAS, unlicensed contractors often place employees and
11 other individuals at risk of serious injury by operating without
12 regard to the worker and workplace safety requirements of state
13 and federal law; and

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15 WHEREAS, unlicensed contractors place consumers at serious
16 risk of personal injury, property damage, and financial loss due
17 to faulty construction; and

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19 WHEREAS, unlicensed contractors adversely impact legitimate
20 and licensed business operations within the contracting
21 industry; and

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23 WHEREAS, the Regulated Industries Complaints Office of the
24 Department of Commerce and Consumer Affairs is charged with
25 enforcing the State's contractor licensing laws; and

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27 WHEREAS, the Department of Labor and Industrial Relations
28 is charged with enforcing the State's employment laws, including
29 workers' compensation insurance laws, unemployment insurance
30 laws, and workplace safety laws; and

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32 WHEREAS, the Department of Taxation is charged with
33 enforcing the State's tax laws; and



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2 WHEREAS, the building departments of the various counties
3 are charged with regulating the construction planning and
4 permitting process; and
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6 WHEREAS, violations of current licensing, employment, tax,
7 and county laws by an unlicensed contractor are punishable
8 through the imposition of civil and criminal penalties that are
9 often very difficult to enforce on unlicensed entities; and
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11 WHEREAS, effective and collaborative enforcement of
12 licensing, employment, tax, and county laws relating to
13 contractor licensing promotes consumer protection as well as a
14 healthy construction industry; now, therefore,
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16 BE IT RESOLVED by the Senate of the Twenty-sixth
17 Legislature of the State of Hawaii, Regular Session of 2011, the
18 House of Representatives concurring, that the agencies charged
19 with enforcement of the various state laws relating to
20 unlicensed contractor activity are requested to work
21 collaboratively to more effectively enforce unlicensed
22 contracting laws; and
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24 BE IT FURTHER RESOLVED that the Department of Commerce and
25 Consumer Affairs is requested to convene a task force chaired by
26 the Director of Commerce and Consumer Affairs or the Director's
27 designee and including two representatives each from the
28 Department of the Attorney General, Department of Commerce and
29 Consumer Affairs, Disability Compensation Division of the
30 Department of Labor and Industrial Relations, Occupational
31 Safety and Health Division of the Department of Labor and
32 Industrial Relations, Unemployment Insurance Division of the
33 Department of Labor and Industrial Relations, Department of
34 Taxation, and three representatives of the contracting industry
35 to develop collaborative enforcement strategies among the
36 various state and county agencies charged with enforcing various
37 aspects of contractor licensing requirements; and
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39 BE IT FURTHER RESOLVED that the task force is requested to
40 review the currently available sanctions for violations of
41 contractor licensing requirements and to make recommendations
42 for additional sanctions, including criminal sanctions, if
43 warranted; and
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1 BE IT FURTHER RESOLVED that the task force is requested to
2 invite a representative from each county construction permitting
3 department to participate in the task force; and
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5 BE IT FURTHER RESOLVED that the task force is requested to
6 submit a report of its findings and recommendations to the
7 Legislature no later than twenty days prior to the convening of
8 the Regular Session of 2012; and
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10 BE IT FURTHER RESOLVED that certified copies of this
11 Concurrent Resolution be transmitted to the Director of Commerce
12 and Consumer Affairs, Director of Labor and Industrial
13 Relations, Director of Taxation, and Attorney General.
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OFFERED BY:

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