



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership

Senate Committee on Economic Revitalization & Business
Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice Chair

HCR 286/HR 253 – REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO ESTABLISH A TASK FORCE TO WORK COLLABORATIVELY TO FIND WAYS TO MORE EFFECTIVELY ENFORCE THE STATE'S CIVIL AND CRIMINAL LAWS THAT MAY APPLY TO UNLICENSED CONTRACTORS.

Tuesday, April 5, 2011
9:00 a.m.
Conference Room 312

Chair McKelvey, Vice Chair Choy and Members of the Committee:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Carpenters Union.

PRP is in strong support of HCR 286/HR 253 Requesting the Department of Commerce and Consumer Affairs (DCCA) to Establish a Task Force to Work Collaboratively to Find Ways to More Effectively Enforce the State's Civil and Criminal Laws that May Apply to Unlicensed Contractors.

Unlicensed contractors often do not possess the necessary training and experience to obtain a license and rarely maintain workers' compensation and liability insurance. Many unlicensed contractors receive or pay wages in cash, thereby avoiding unemployment, payroll, and personal tax obligations. Unlicensed contractors often operate without regard to worker and workplace safety requirements and violations of current licensing, employment, and tax laws by an unlicensed contractor may subject the unlicensed contractor to civil and criminal penalties.

The Regulated Industries Complaints Office (RICO) of the DCCA is charged with the enforcement of the contractor licensing laws; and the Department of Labor and Industrial Relations (DLIR) enforces the employment laws, including the workers' compensation insurance laws, the unemployment insurance laws, and workplace safety laws; and the Department of Taxation (DoTAX) enforces state tax laws; and the Department of the Attorney General is the chief law enforcement agency of the State and, among other things, enforces laws; and the Department or Office of the Prosecuting Attorneys for each county is authorized to enforce the respective county's laws; and effective and collaborative civil and criminal enforcement of licensing, employment, and tax laws that may apply to unlicensed contractors promotes consumer protection and a healthy state economy, therefore, Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs; Department of Labor and Industrial Relations; Department of Taxation; Department of the Attorney General; and Department or Office of the Prosecuting Attorney of each of the counties; that the Director of Commerce and Consumer Affairs is requested to establish a task force consisting of representatives from the following state and county agencies:

- (1) Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs
- (2) Department of Labor and Industrial Relations
- (3) Department of Taxation
- (4) Department of the Attorney General
- (5) Department or Office of the Prosecuting Attorney of each of the counties

PRP supports the resolution but would like to add a set number of at least 2 representatives from each agency to be a part of the task force to work collaboratively and effectively enforce the civil and criminal laws that may apply to unlicensed contractors.

Thank you for the opportunity to share our views with you and we respectfully ask for your support on HCR 286/HR 253.

LATE TESTIMONY



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April 4, 2011

Representative McKelvey, Chair
Committee on Economic Revitalization and Business
State Capitol, Room 312
Honolulu, HI 96813

Re: HCR 286 & HR 253

I am Greg Thielen, President and RME of Complete Construction Services. I am a Small Business Owner and have over 20 years experience in the Construction Industry.

I am writing in support of the intent of HCR 286 and HR 253. I believe the State has the necessary tools to more effectively combat the problem of unlicensed construction activity already. Simply appointing department heads of state agencies that are currently not being successful in dealing with this issue is not enough. If a task force is to be appointed it should include those people that are suffering the most due to un-licensed activity and have the best first hand observations and knowledge of how to go about stopping it. Please consider adding both General and Specialty Contractors to this task force and empower them with a role in stopping this serious problem.

Thank you for the opportunity to provide this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Thielen', is written above the printed name.

Greg Thielen
President/RME