



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR
EVERETT KANESHIGE
DEPUTY DIRECTOR

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

TO THE HOUSE COMMITTEE ON
ECONOMIC REVITALIZATION AND BUSINESS

TWENTY-SIXTH STATE LEGISLATURE
REGULAR SESSION, 2011

TUESDAY, MARCH 15, 2011
8:00 A.M.

TESTIMONY ON SENATE BILL NO. 775 S.D.2
RELATING TO CONSTRUCTION SITES

TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR,
AND TO THE HONORABLE ISAAC W. CHOY, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on Senate Bill No. 775 S.D.2, Relating To Construction Sites. My name is Jo Ann Uchida of the Department's Regulated Industries Complaints Office ("RICO"). RICO offers the following comments on this bill.

Senate Bill No. 775 S.D.2 extends the Construction Site Inspection Task Force ("CSITF"), created by Act 121, Session Laws of Hawaii 2010, for one year; narrows the focus of the CSITF to deter unlicensed contracting activities; adds

three industry representatives to the CSITF; adds an unspecified surcharge amount for each application and renewal to offset the costs of the CSITF; requires that all proceedings of the CSITF are public and subject to Chapter 92F, Hawaii Revised Statutes ("HRS"); exempts certain CSITF discussions from the requirements of Chapter 92, HRS; requires a final CSITF report; and appropriates monies to fund the work of the CSITF. The bill also provides for a defective effective date of July 1, 2050.

RICO notes that this Committee heard and deferred the companion bill, House Bill No. 363.

Following the hearing on this bill, the Department had the opportunity to meet with some of the bill's proponents and discuss language that would facilitate more productive discussions among the various enforcement agencies. While the Department recognizes the value of intradepartmental collaboration, it is concerned that a rigid agenda and procedural format will inhibit, rather than facilitate, the types of discussions that will need to occur regarding the barriers to collaborative enforcement, and how those barriers can be overcome.

As such, the Department recommends that the vehicle for those discussions be in the form of a resolution rather than this bill. A task force by way of a resolution will allow the participating agencies much more latitude in terms of setting up smaller, issue-specific discussion groups quickly on the issues set forth in the resolution. The Department's understanding is that the bill's proponents concur with this approach.

With regard to the funding provisions of this bill, although the prospect of dedicating funding for unlicensed activity is appreciated, the Department believes that the enforcement review should occur before a decision is made on where and how such funds should be spent.

Thank you for this opportunity to testify on Senate Bill No. 775 S.D.2. I will be happy to answer any questions that the members of the Committee may have.



NEL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LIEUTENANT GOVERNOR

STATE OF HAWAII
OFFICE OF THE LIEUTENANT GOVERNOR
OFFICE OF INFORMATION PRACTICES

NO. 1 CAPITOL DISTRICT BUILDING
250 SOUTH HOTEL STREET, SUITE 107
HONOLULU, HAWAII 96813
Telephone: (808) 586-1400 FAX: (808) 586-1412
E-MAIL: oip@hawaii.gov
www.hawaii.gov/oip

CATHY L. TAKASE
ACTING DIRECTOR

To: House Committee on Economic Revitalization and Business

From: Cathy L. Takase, Acting Director

Hearing: Tuesday, March 15, 2011, 8 a.m.
State Capitol, Room 312

Re: Testimony on S.B. No. 775, S.D. 2
Relating to Construction Sites

Thank you for the opportunity to testify on S.B. 775, S.D. 2. OIP takes no position on the substance of this bill, which would reauthorize the Construction Site Inspection Task Force. Rather, OIP is testifying only on a closed meeting clause on bill page 4, lines 17-20.

This clause would allow the task force to close meetings "related to sensitive matters of law enforcement or public safety . . . as provided in section 92-5." Section 92-5, HRS, already allows a Sunshine Law board to hold a closed meeting "[t]o investigate proceedings regarding criminal misconduct" or "[t]o consider sensitive matters related to public safety or security." OIP therefore believes the closed meeting clause specific to this task force is unnecessarily duplicative of the existing provision, and should be removed from the bill.

Thank you for the opportunity to testify on this bill.

SAH - Subcontractors Association of Hawaii

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

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

March 15, 2011

Testimony To: House Committee on Economic Revitalization & Business
Representative Angus L.K. McKelvey

Presented By: Tim Lyons
President

Subject: S.B. 775, SD 2 – RELATING TO CONSTRUCTION SITES

Chair McKelvey and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we support this bill.

The Subcontractors Association of Hawaii is composed of the following nine separate and distinct subcontracting organizations which include:

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

ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

We support this bill.

There has been some discussion about attacking this in an alternate manner although we continue to believe that as the bill moves forward we will see the development of that idea and be able to pick an option. The real important point here however is that unlicensed contracting activity is totally out of hand and has been for many years. This bill seeks to attack that problem and therefore we encourage its passage in order to keep the momentum going on this subject matter.

Thank you.