

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 1295
H.D. 3

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Judiciary and Consumer Protection & Commerce, to which was referred H.B. No. 1295, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS,"

beg leave to report as follows:

The purpose of this measure is to address the problem of unlicensed contracting by:

- (1) Creating a new part in the penal code that provides for criminal penalties against unlicensed contracting activity, habitual unlicensed contracting activity, and unlicensed contractor fraud; and
- (2) Making amendments to section 436B-27, Hawaii Revised Statutes, the existing law providing sanctions for unlicensed activity to increase the maximum monetary penalty possible for unlicensed activity to \$2,000.

The Professional and Vocational Licensing Division and Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Department of the Prosecuting Attorney for the City and County of Honolulu, Building Industry Association of Hawaii, Pacific Resource Partnership, Subcontractors Association of Hawaii, GW Construction & Yamada Paint Contracting, Complete Construction Services, and two



concerned individuals supported the measure. The General Contractors Association of Hawaii supported the intent of the measure.


Your Committees believe that the elements for the foregoing penal offenses can be more succinctly stated. Your Committees also want to make it clear that the penal offense for unlicensed contracting activity solely is not meant to cover a first instance involving the inadvertent failure of a licensee to renew a previously existing license.

Your Committees have amended this measure by:

- (1) Clarifying the specific elements for the penal offenses;
- (2) Making it clear that the penal offense for unlicensed activity is not meant to apply to a circumstance of first instance involving the inadvertent failure of a licensee to renew a previously existing license; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1295, H.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1295, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Consumer Protection & Commerce,


ROBERT N. HERKES, Chair


GILBERT KEITH-AGARAN, Chair



