

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

**TO THE HOUSE COMMITTEE ON
ECONOMIC REVITALIZATION & BUSINESS**

**TWENTY-SIXTH LEGISLATURE
Regular Session of 2011**

**Thursday, February 3, 2011
8:00 a.m.**

TESTIMONY ON HOUSE BILL NO. 888, RELATING TO CONTRACTORS.

**TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR,
AND MEMBERS OF THE COMMITTEE:**

My name is Denny Sadowski, Legislative Committee Chair of the Contractors License Board ("Board"). Thank you for the opportunity to testify in opposition to House Bill No. 888, which requires applicants and holders of a contractor license to be subject to a criminal history record check by the Board.

The Board questions whether such a requirement is justified, and for what purpose.

Currently, applicants are asked to disclose whether they have been convicted of a felony within the last twenty years, and information provided by the applicant is reviewed by the Board to determine whether the conviction affects the applicant's ability to act as a contractor.

The Board reviews over 100 applications per month, and requiring all applicants to be subject to a criminal history record check may be unduly burdensome and significantly delay the licensing process. Furthermore, this measure also requires that currently licensed contractors be subject to a criminal history record check, and as of

January 31, 2011, there are 10,787 actively licensed contractors. Therefore, this would be a major undertaking, for which the Board does not have the resources to accomplish. Also, if the licensee is a corporation or partnership, it is unclear whether the officers or partners are subject to this requirement.

The bill also does not provide any indication of what the Board is to do with the criminal history record. The Board questions whether it has the authority to penalize a licensee for an arrest that does not result in a conviction, or a conviction for activity unrelated to the licensee's ability to act as a contractor. The Board already has the authority to discipline licensees for infractions of the statutes and rules. We question whether requiring additional, and possibly irrelevant, information is warranted.

For these reasons, the Board is opposed to House Bill No. 888.

Thank you for the opportunity to testify on this measure.

The Pacific Resource
PARTNERSHIP



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

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

HB 888 – RELATING TO CONTRACTORS
Thursday, February 3, 2011
8:00 am
Conference Room 312

Chair Angus McKelvey, Vice Chair Isaac 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 HB 888 Relating to Contractors which would require applicants and holders of a contractor license to be subject to a criminal history record check conducted by the contractors licersing board pursuant to rules adopted by the board.

Contractors who enter into agreements with individuals have superior knowledge and/or wisdom about the specific subject(s) and performance(s) they are being contracted to provide. This specialized knowledge presents opportunities for contractors to "take advantage" of the lack-of-knowledge and sophistication of their clients in order to make a quick buck, increase the margin on a bottom line or divert funds to another project that is not as profitable to the contractor.

These types of contractors or applicants only serve to further burden already understaffed and overburdened enforcement agencies, harm consumers who have been "taken" by these contractors, and serve as a disincentive to those who strive to "play fair" within the construction industry.

Therefore, a law such as this would help to ensure, by an advance screening of applicants, as to whether a potential contractor/applicant may have indicators in his past as to whether or not he/she may continue these bad practices if issued a license.

While those opposing this Bill will argue that this is would only serve to delay the application process. We feel that this type of delay is worth ensuring that we are admitting the right people into our industry, those who will treat clients fairly and compete in a fair and legal manner to uphold the integrity of our industry.

Thank you for the opportunity to share our views with you and we respectfully ask for your support on HB 888 – Relating to Contractors.

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