HOUSE CONCURRENT RESOLUTION

REQUESTING THE CONTRACTORS LICENSE BOARD TO PREPARE A REPORT THAT EVALUATES EACH AUTOMATIC SPECIALTY LICENSE ISSUED TO "A" GENERAL ENGINEERING CONTRACTORS AND "B" GENERAL BUILDING CONTRACTORS.

WHEREAS, Hawaii's contractor licensing law, codified as chapter 444, Hawaii Revised Statutes, is a consumer protection statute intended to protect the public's health, safety, and welfare when dealing with persons engaged in the construction industry, and therefore requires a licensee to show experience for each license obtained; and

WHEREAS, the Contractors License Board is the governing board for contractors licensed in Hawaii; and

WHEREAS, the Contractors License Board issues "A" general engineering contractor licenses, "B" general building contractor licenses, and "C" specialty licenses; and

WHEREAS, the Contractors License Board has adopted administrative rules that include various "C" specialty license classifications with categories and descriptions of each specialty license classification; and

WHEREAS, although payment of application, testing, and license fees are required as part of the regulatory system for contractors, the Contractors License Board automatically grants seventeen additional "C" specialty licenses to licensed "A" general engineering contractors and ten additional "C" specialty licenses to licensed "B" general building contractors without the need for further examination or additional payment of fees; and

WHEREAS, S.B. No. 347, introduced during the Regular Session of 2013, proposed to require licensed "A" general engineering contractors and licensed "B" general building

contractors to pay additional fees and undergo further examination prior to the issuance of additional "C" specialty licenses; and

WHEREAS, a public hearing on S.B. No. 347 (2013) brought forth groups opposing and supporting the measure; and

WHEREAS, testimony in opposition to S.B. No. 347 (2013) cited the long-standing licensing process and potential negative effects on licensed "A" and "B" general contractors; and

WHEREAS, testimony in support of S.B. No. 347 (2013) questioned why a total of twenty-seven "C" specialty licenses are issued without further examination and the payment of fees; and

WHEREAS, past interpretations from the Contractors License Board have determined that a "B" licensee may perform painting, ceramic tile, and other specialty licensed work required on a project without possession of those specific licenses; and

WHEREAS, in addition, the C-5 Cabinet, Millwork, and Carpentry Remodeling and Repairs specialty classification is automatically granted to "B" general building contractors; and

WHEREAS, subcontractors who have qualified for "C" specialty licenses by demonstrating four years of supervisory experience in the specific "C" specialty license categories are frustrated that licensed "B" general building contractors automatically qualify for the same "C" specialty license classification without additional examinations and fees; and

WHEREAS, the Contractors License Board has not recently reviewed the scope of the automatic "C" specialty licenses given to "A" general engineering contractor licensees and "B" general building contractor licensees; now, therefore,

 BE IT RESOLVED by the House of Representatives of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2013, the Senate concurring, that the Contractors License Board is requested to prepare a report that evaluates each automatic specialty license issued to "A" general engineering contractors and "B" general building contractors; and

2013-1692 HCR SMA.doc

BE IT FURTHER RESOLVED that the Contractors License Board is requested to include the following in the report:

(1) An identification of each specialty license that is automatically granted to "A" general engineering contractors and "B" general building contractors;

(2) A specific evaluation of the definition of a C-5 contractor, including whether this definition is too broad, whether this definition includes an appropriate balance between the work that is performed and the experience necessary for a license, and a determination of whether this definition should be modified;

(3) An explanation and justification of why each specialty license is automatically granted to "A" general engineering contractors and "B" general building contractors;

(4) Suggested amendments or modifications to the practice of issuing specialty licenses, if appropriate; and

(5) A brief description of the process the Board used when making its findings and recommendations in the report; and

BE IT FURTHER RESOLVED that the Contractors License Board is requested to submit its report, including any recommendations for amendments to chapter 444, Hawaii Revised Statutes, and chapter 77, Hawaii Administrative Rules, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to Director of Commerce and Consumer Affairs and the Contractors License Board.

OFFERED BY:

2013-1692 HCR SMA.doc

13-1692 HCR SMA.doc

Cily Evano MAR 1120

NT THE TAX ASSESSMENT OF THE PARTY OF THE PA