SENATE RESOLUTION

REQUESTING THE CONTRACTORS LICENSE BOARD TO CONDUCT AN ASSESSMENT AND PREPARE A REPORT THAT EVALUATES EACH LICENSING CLASSIFICATION UNDER CHAPTER 444, HAWAII REVISED STATUTES.

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, 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 1

2

3

5

6 7

8 9 10

11

12 13

14 15

16 17

18 19

20

21 22

232425

26

2728

29 30

31 32 33

34

35 36

37

38

39

40 41

42

43

44

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, the Contractors License Board has not recently reviewed the criteria, requirements, and procedures for "A" general engineering contractor licenses, "B" general building contractor licenses, and "C" specialty licenses; and

WHEREAS, a comprehensive evaluation of each licensing classification under chapter 444, Hawaii Revised Statutes, is necessary to instill confidence in the construction industry and ensure that all criteria, requirements, and procedures for the three licensing classifications are up to date; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2013, that the Contractors License Board is requested to conduct an assessment and prepare a report that evaluates each licensing classification under chapter 444, Hawaii Revised Statutes; and

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

- (1) A comprehensive assessment and review of all licenses issued pursuant to chapter 444, Hawaii Revised Statutes, including the criteria, requirements, and procedures needed for "A" general engineering contractor licenses, "B" general building contractor licenses, and "C" specialty licenses, including all "C" specialty licenses that are automatically granted;
- (2) An assessment of whether the state licensing requirements are in line with similar licensing requirements in other jurisdictions and meet general construction industry standards and practices;
- (3) 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;

1 2

 (4) A determination of whether chapter 77, Hawaii
Administrative Rules, appropriately reflects the
intent of the Legislature, with a specific focus on
the scope of work that corresponds to each contractor
classification;

- (5) Suggested amendments or modifications to the practice of issuing licenses for each license classification, as appropriate; and
- (6) A brief description of the process the Board used in making its findings and recommendations in the report; and

BE IT FURTHER RESOLVED that the Contractors License Board is requested to look beyond the membership of the Contractors License Board and actively engage other interested industry stakeholders and union representatives when preparing its assessment and report; and

BE IT FURTHER RESOLVED that the Contractors License Board is requested to transmit a draft report, including any recommendations for amendments to chapter 444, Hawaii Revised Statutes, and chapter 77, Hawaii Administrative Rules, to the Legislative Reference Bureau no later than November 1, 2013; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau is requested to submit a final 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 Resolution be transmitted to the Director of Commerce and Consumer Affairs, Interim Director of the Legislative Reference Bureau, and Contractors License Board.