

Honolulu, Hawaii

MAR 22 2013

RE: H.B. No. 1202
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1202, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that:

- (1) A professional or vocational licensee who inadvertently fails to maintain licensing requirements but who subsequently corrects the failure so that there was no lapse in licensure shall not be guilty of unlicensed activity; and
- (2) A contractor who inadvertently fails to maintain licensing requirements and who subsequently corrects the failure so that there was no lapse in licensure shall not be guilty of unlicensed contracting activity.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Subcontractors Association of Hawaii.

Your Committee finds that this measure is intended to clarify that certain professional or vocational licensees or contractors, licensed under either chapter 436B or 444, Hawaii Revised



Statutes, who inadvertently fail to renew their licenses shall not be treated as unlicensed contractors after the subsequent renewal of their licenses.

Your Committee further finds that section 444-11.1, Hawaii Revised Statutes, states that the Contractors License Board cannot restore a forfeited license unless there is satisfactory proof of continuous insurance and bond coverage; however, this section also provides that a licensee who restores a license within sixty days is not required to reapply as a new applicant. An amendment to this measure is therefore necessary to conform to existing licensure requirements under chapter 444, Hawaii Revised Statutes, by clarifying that a lapse in licensure of no more than sixty days does not constitute unlicensed contracting activity.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that a contractor who inadvertently fails to maintain licensing requirements under chapter 444, Hawaii Revised Statutes, and who subsequently corrects the failure so that there was a lapse of no more than sixty days in licensure shall not be guilty of unlicensed contracting activity;
- (2) Inserting an effective date of July 1, 2013; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1202, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1202, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB 1202, HD1	Committee Referral: CPN, JDL	Date: 3-19-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
GALUTERIA, Brickwood (VC)				/
NISHIHARA, Clarence K.	/			
SOLOMON, Malama	/			
TANIGUCHI, Brian T.				/
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Clarence K Nishihara</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes