STAND. COM. REP. NO. **1022**

March 19, 2013

RE: S.B. No. 633

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 633 entitled:

"A BILL FOR AN ACT RELATING TO UNLICENSED CONTRACTING ACTIVITIES,"

begs leave to report as follows:

The purpose of this measure is to clarify that the value of any work done by an unlicensed contractor shall not be used as an offset in calculating the value of the property in unlicensed contractor fraud cases.

The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, County of Maui Department of the Prosecuting Attorney, County of Maui Police Department, Building Industry Association of Hawaii, Complete Construction Services Corporation, Contractors Association of Kauai, and The Pacific Resource Partnership submitted testimony in support of the measure. The General Contractors Association of Hawaii submitted comments on the measure.

Your Committee finds that the determination of whether conduct is unlicensed contractor fraud in the first or second degree is based upon the total value of property over which the unlicensed contractor obtains control. By permitting an offset of the value of work done by an unlicensed contractor from the total value of the property, the total value of the property is less likely to meet the threshold necessary to constitute the offense. This measure clarifies that no offset for the value of work done

by an unlicensed contractor should be permitted when calculating the total property value for these offenses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 633 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral:	Date:	-101-	
<u>58655</u>	CDC FIN	0	3/13/20	13
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold				
☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. KAWAKAMI, Derek S.K. (VC)				,
3. BELATTI, Della Au	/		, ,	
4. BROWER, Tom				
5. CABANILLA, Rida T.R.				
6. CACHOLA, Romy M.				
7. CARROLL, Mele				
8. EVANS, Cindy				
9. HAR, Sharon E.				
10. ITO, Ken				
11. LEE, Chris				
12. TSUJI, Clift				
13. YAMANE, Ryan I.				
14. MCDERMOTT, Bob				
15. THIELEN, Cynthia				
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TOTAL (15)	12			2_
The recommendation is: Adopted				
If joint referral, did not support recommendation, committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				