

STAND. COM. REP. NO. 456

Honolulu, Hawaii

FEB 20 2013

RE: S.B. No. 633

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 S.B. No. 633 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to clarify that the value of work performed by an unlicensed contractor shall not offset the value of the property for purposes of determining whether an act constitutes unlicensed contractor fraud and if so, in what degree.


Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Department of the Prosecuting Attorney, County of Maui.

Your Committee finds that a contract by an unlicensed contractor is illegal. For unlicensed contractor fraud in the first and second degrees, there are minimum thresholds for the total value of the property over which a person obtains control, which must be met in order for the act to constitute those offenses. By permitting an offset of the value of work illegally performed by an unlicensed contractor, the value of the property is less likely to meet the threshold necessary to constitute the offenses. This measure makes it clear that no offset should be applied when calculating the property value for these offenses.



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 S.B. No. 633 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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



ROSALYN H. BAKER, Chair



