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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE SENATE COMMITTEE ON
JUDICIARY AND LABOR

TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION, 2013

WEDNESDAY, MARCH 27, 2013
10:50 A.M.

TESTIMONY ON HOUSE BILL NO. 1202 H.D.1 S.D.1
RELATING TO BUSINESS

TO THE HONORABLE CLAYTON HEE, CHAIR,
AND TO THE HONORABLE MAILE S.L. SHIMABUKURO, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 1202 H.D.1 S.D.1, Relating to Business. My name is Daria Loy-Goto. I am the Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). RICO offers the following comments in support of the bill.

House Bill No. 1202 H.D.1 S.D.1 clarifies that: (1) a licensee who inadvertently fails to maintain licensing requirements but who subsequently

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corrects the failure so that there was no lapse in licensure shall not be guilty of a misdemeanor under §436B-27, Hawaii Revised Statutes ("HRS"); and (2) a contractor who inadvertently fails to maintain the licensing requirements in chapter 444, HRS, 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 the offense of unlicensed contracting activity under §708-8300, HRS.

RICO notes that the Senate companion bill, Senate Bill No. 1282, was not heard.

RICO supports House Bill No. 1202 H.D.1 S.D.1. The amendment in Section 1 of the bill is the result of the collaborative efforts between RICO and the proponents of the bill. The revision in Section 2 of the bill on page 2, lines 5-9, represents language suggested by the Subcontractors Association of Hawaii. RICO does not object to this amendment.

Thank you for this opportunity to testify on House Bill No. 1202 H.D.1 S.D.1. I will be happy to answer any questions that the members of the Committee may have.

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

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March 27, 2013

TO: HONORABLE CLAYTON HEE, CHAIR, HONORABLE MAILE SHIMABUKURO, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON JUDICIARY AND LABOR

SUBJECT: **SUPPORT OF H.B. 1202, HD1, SD1, RELATING TO BUSINESS.** Clarifies that 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. Clarifies that a contractor who inadvertently fails to maintain licensing requirements 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. (SD1)

HEARING

DATE: Wednesday, March 27, 2013
TIME: 10:50 a.m.
PLACE: Conference Room 016

Dear Chair Hee, Vice Chair Shimabukuro and Members of the Committee,

The General Contractors Association (GCA) is an organization comprised of over six hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

The GCA **strongly supports** the passage of H.B. 1202, HD1, SD1, Relating to Business to further clarify the language relating to Unlicensed Contractors. In 2012, the Legislature passed H.B. 1295, HD3, SD1, CD1, which was enacted as Act 244, SLH 2012. Act 244, SLH 2012 was passed to provide the Office of Consumer Protection with the ability to prosecute habitual unlicensed contracting activity and unlicensed contracting fraud.

H.B. 1202, HD1, SD1 amends the language of Act 244, SLH 2012 to clarify that individuals and firms licensed by the state under both Chapters 436B and 444, Hawaii Revised Statutes are not wrongfully penalized. This bill amends these sections to clarify that those who have inadvertently forgotten to renew their licenses, and who subsequently renew their licenses are not treated as unlicensed contractors. This amendment is important to further clarify what would not be included as a penalty, especially because any penalty to section 708-8300 would result in criminal penalties.

The GCA supports this measure to clarify the intent of Act 244, SLH 2012, and recommends that H.B. 1202, HD1, SD1 be passed by this Committee. The GCA has been working closely with the Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs and other parties on this bill.

Thank you for this opportunity to present our views on this measure.