

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Monday, February 25, 2013
2:30 p.m.

TESTIMONY ON HOUSE BILL NO. 671, RELATING TO PUBLIC SAFETY.

TO THE HONORABLE ANGUS L.K. MCKELVEY, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Peter Lee, and I am the Chair of the Contractors License Board's Legislation Committee. Thank you for the opportunity to testify on House Bill No. 671, which proposes to redefine the term "incidental and supplemental work" and prohibits a general contractor from performing incidental and supplemental work for which it is not licensed.

The Contractors License Board ("Board") strongly opposes this bill. The stated purpose of this bill is to not allow a general contractor to do specialty work in areas in which it does not possess a specialty license. However, current statutes prohibit a general contractor from acting as a specialty contractor if it does not hold that specialty classification; therefore, the need for this legislation is unclear.

This bill also defines "incidental and supplemental work" as work directly related to a larger, major project requiring the specialty license, and limits the work to no more than half a percent of the total contract. Section 16-77-34, Hawaii Administrative Rules, defines "incidental and supplemental" as work in

other trades directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license. This definition relates to work performed by a specialty contractor pursuant to section 444-8(c), Hawaii Revised Statutes ("HRS"). The Board opposes placing an arbitrary limit on the amount of incidental and supplemental work a specialty contractor may perform. It is not an appropriate indicator and can be difficult to quantify, as there are many variables and factors that should be taken into consideration, such as the size of the project, the various trades involved, the proportion of incidental work, and the scope of the classifications held by the specialty contractor.

For example, the C-5 Cabinet, Millwork, Carpentry Remodeling and Repairs classification allows this specialty contractor to do work incidental and supplemental to the remodeling work. Therefore, on a \$50,000 kitchen renovation project, this specialty contractor is allowed to perform the necessary remodeling work, such as the painting, tile, flooring, etc. Under the restrictions of this bill, the incidental and supplemental work would be limited to \$250. Does this mean that the contractor can do painting work and other related work only up to an amount of \$250 for each trade? Clearly the half a percent restriction cannot be reasonably applied to this project.

Furthermore, the proposed definition of "incidental and supplemental work" is confusing, and it is unclear what would be considered a "larger" or "major" project.

This bill also requires general contractors to employ responsible managing employees with the appropriate specialty license and specialty contractors when necessary to complete any contracted work. This requirement does not make sense, as general contractors are already restricted to performing work in the specialty classifications it holds. Therefore, the intent of adding this requirement to the definition of the general engineering and general building contractor is unclear.

Finally, the amendment to section 444-9, HRS, on page 5, lines 11–14, is unnecessary. Current statutes and rules do not allow general contractors to perform incidental and supplemental work for which it is not licensed. Therefore, the purpose for this amendment is also questionable.

For these reasons, the Board is opposed to House Bill No. 671, and respectfully requests that it be held. Thank you for the opportunity to testify on this measure.

PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



PLUMBING AND MECHANICAL
CONTRACTORS ASSOCIATION
OF HAWAII

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GREGG S. SERIKAKU
EXECUTIVE DIRECTOR

Via Email

February 21, 2013

Representative Angus L.K. McKelvey, Chair
Representative Derek S.K. Kawakami, Vice-Chair
House Committee on Consumer Protection and Commerce
The Twenty-Seventh Legislature, Regular Session of 2013

Chair McKelvey, Vice Chair Kawakami, and Members of the Committee:

SUBJECT: HB671 Relating to Public Safety

My name is Gregg Serikaku, Executive Director for the Plumbing and Mechanical Contractors Association of Hawaii. Our Association represents licensed contractors in the plumbing, air conditioning, refrigeration, and fire sprinkler industries in Hawaii, and our goal is to promote and improve these industries through cooperative initiatives with labor, government and the community. **The Association for which I speak opposes HB671.**

This bill seeks to define the term "incidental and supplemental work" as any work directly related to a larger project, major project, or operation requiring the specialty license held by a general engineering, general building, or specialty contractor, for which the aggregate contract price for labor, materials, taxes, and all other items is not more than 1/2% of the total contract.

While we agree that all contractors should possess the applicable specialty license to perform work in the respective specialized trade and should be allowed to perform the incidental and supplemental work in other trades directly related to and necessary for completion of the trade work undertaken pursuant to the scope of the specialty license, we do not believe that quantifying incidental and supplemental work to 1/2% of the total contract is warranted.

The amount of incidental and supplemental work is normally very small, however, at times, especially on smaller residential repair jobs, this work can easily exceed 1/2% of the total contract value. One example is where a homeowner needs to repair a leaking pipe in a wall and the plumber hired to fix the pipe must first open up a space in the wall, fix the pipe, then subsequently patch the wall. In this scenario the patching of the wall is incidental and supplemental to the plumbing work, however, it may constitute anywhere from 5-30% of the total contract. Under HB671 the plumbing contractor would be required to subcontract the wall work to another specialty contractor, increasing both time and cost for the homeowner.

Another issue with quantifying incidental and supplemental work is that it would be very difficult for contractors to accurately determine the percentage of incidental and supplemental work since most contract values change over the course of the project due to revisions in design, materials, etc. Consequently, incidental and supplemental work that was less than 1/2% at the start of the project could end up being more than 1/2% during the project, placing contractors in jeopardy of non-compliance under HB671.

For these reasons, we respectfully urge this committee to hold this bill.

Respectfully yours,

Gregg S. Serikaku
Executive Director

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Website: www.gcawhawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 25, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.**
Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

NOTICE OF HEARING

DATE: Monday, February 25, 2013
TIME: 2:30 p.m.
PLACE: Conference Room 325

Dear Chair McKelvey, Vice Chair Kawakami and Members of the Committee:

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 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.

GCA **strongly opposes** H.B. 671, Relating to Public Safety, which proposes to define "incidental and supplemental" by quantifying it as a percentage and further attempts to eliminate the ability of a general contractor to perform work that it is permitted to do under its retained "C" specialty licenses. **The GCA respectfully requests that the bill be held because it is unnecessary and would greatly disrupt over fifty years of industry practices for general contractors.**

H.B. 671 proposes two problematic changes to Chapter 444, HRS, first, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

First, the proposed definition of incidental and supplemental is not necessary because Section 444-8(c) references the term and its applicability to the performance of such work. The proposed definition haphazardly quantifies "incidental and supplemental" by using a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" **is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken.**

To quantify incidental and supplemental would is in direct conflict with its historical interpretation.

Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform. General contractor qualify for the “C” licenses because of successful passage of examination and other criteria. The proposed legislation will detrimentally disrupt the recognized work performed by the general contractor. The Contractor’s License Board (Board) licensing procedure properly qualifies applicants for “A” or “B” licenses by meeting a number of requirements, including, but not limited to, passage of an examination, at least 4 years in a supervisory position or a contractor in the particular classification being applied to, credit reports and financial statements, tax clearances, worker’s compensation insurance, bonding requirements, and approval by the Board.

Contractors in construction were first regulated upon the adoption of Act 305 in 1957, which is now codified under Chapter 444, HRS. Since the adoption of Act 305 (1957), Chapter 444 has been amended several times, however the statute and corresponding administrative rules have never disturbed the “A” or “B” general contractors ability to automatically qualify for select specialty “C” licenses.

H.B. 671 is bad legislation and it is an attempt to sabotage the contracting licensing law. For these reasons, H.B. 671 is highly flawed and without merit.

The GCA **strongly opposes** H.B. 671 and respectfully requests that the bill be held.

SAH - Subcontractors Association of Hawaii

1188 Bishop St., Ste. 1003**Honolulu, Hawaii 96813-2938

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February 25, 2013

Testimony To: House Committee on Consumer Protection & Commerce
Representative Angus L.K. McKelvey, Chair

Presented By: Tim Lyons
President

Subject: H.B. 671 – RELATING TO PUBLIC SAFETY

Chair McKelvey and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we must oppose this bill as written.

The Subcontractors Association of Hawaii is composed of the following nine separate and distinct subcontracting organizations which include:

HAWAII FLOORING ASSOCIATION
ROOFING CONTRACTORS ASSOCIATION OF HAWAII
HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION
TILE CONTRACTORS PROMOTIONAL PROGRAM
PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII
SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII
PAINTING AND DECORATING CONTRACTORS ASSOCIATION
PACIFIC INSULATION CONTRACTORS ASSOCIATION
ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

While we are not opposed to what we think the intent of this bill is, we don't believe the bill achieves its purpose.

In Section 2, we object to the term "larger" and "major" projects as we have no idea what those are. It would appear that the bill provides the first definition of "incidental and supplemental". In terms of practice however, by defining it as something that is not more than 1/2% of the total contract it could easily mean that in the case of a \$25,000 re-roofing job within an accompanying \$1250.00 worth of carpentry work that the roofing contractor would have to stop what he was doing and subcontract the \$1250.00 job to a general building contractor. We would oppose that and think that it is an unnecessary waste of time for the consumer and their money.

Section 5. This disallows a general engineering or general building contractor to perform incidental and supplemental work for which it is not "duly licensed". Unfortunately, because this Committee has already heard in another bill, with the twenty-seven (27) automatic licenses that general contractors receive, all of which are specialty licenses, they are then "duly licensed". The additional qualifier is to disallow this work when the general contractor "lacks the requisite specialized skill to undertake" the work. We are not sure how the Board or RICO would assess that however, if they possess a license it would seem that they would possess the requisite skill.

Based on our confusion on parts of the bill as well as what appears to be a limitation on the activities of subcontractors, we cannot endorse the bill.

Thank you.



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February 24, 2013

Testimony to the House Committee on Consumer Protection and Commerce
Monday, February 25, 2013
2:30 p.m.
Hawaii State Capitol, Room 325

RE: H.B. 671, Relating to Public Safety

Dear Chair McKelvey, Vice-Chair Kawakami, and members of the Committee:

I am Greg Thielen, President and RME of Complete Construction Services. I am a Small Business Owner and have over 20 years experience in the Construction Industry. I am also the 2013 President of BIA Hawaii.

Complete Construction Services **opposes** H.B. 671, Relating to Public Safety, which proposes to prohibit a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate. We respectfully request this measure be **held**.

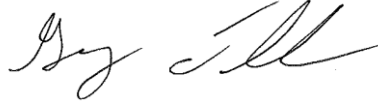
H.B. 671 proposes to redefine "incidental and supplemental" by arbitrarily assigning it a percentage which goes directly against the sustained interpretation by the Contractors License Board (CLB). The CLB has been consistent in their findings that "incidental and supplemental" refers to work in other trades directly related to, and necessary for, the completion of the project. This proposal would be contrary to industry standard.

Furthermore, H.B. 671 targets the automatic "C" licenses of a general contractor by attempting to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. This measure will disrupt the recognized work performed by the general contractor and unjustifiably change over 50 years of contracting industry practice.

For the foregoing reasons, Complete Construction Services is opposed to H.B. 671 and respectfully requests it be **held**.

Thank you for the opportunity to express our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Thielen". The signature is fluid and cursive, with the first name "Greg" being more prominent than the last name "Thielen".

Greg Thielen
President/RME



Testimony of Cindy McMillan
The Pacific Resource Partnership

House Committee on Consumer Protection and Commerce
Representative Angus L.K. McKelvey, Chair
Representative Derek S.K. Kawakami, Vice Chair

HB 671 – Relating to Public Safety
Monday, February 25, 2013
2:30 pm
Conference Room 325

Aloha Chair McKelvey, Vice Chair Kawakami and Members of the Committee:

The Pacific Resource Partnership (PRP) is a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters.

PRP **opposes** HB 671 – Relating to Public Safety. This bill proposes to prohibit a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate. We respectfully request this measure be **held**.

This proposal would be contrary to industry standard. HB 671 proposes to redefine “incidental and supplemental” by arbitrarily assigning it a percentage which goes directly against the sustained interpretation by the Contractors License Board (CLB). The CLB has been consistent in its findings that “incidental and supplemental” refers to work in other trades directly related to, and necessary for, the completion of the project.

Furthermore, HB 671 targets the automatic “C” licenses of a general contractor by attempting to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. This measure will disrupt the recognized work performed by the general contractor and unjustifiably change over 50 years of contracting industry practice.

Again, we oppose HB 671 and respectfully ask that it be **held** in Committee. Thank you for the opportunity to share our views on this important initiative with you.

Testimony in OPPOSITION TO HB671

Relating to Public Safety

By Al Lardizabal, Government Relations

Hawaii Laborers' Union

To the House Committee on Consumer Protection

Monday, February 25, 2013, 2:30 p.m., Rm. 325

Chair McKelevy; Vice Chair Kawakami and members of the committee:

HB671 attempts to define "incidental and supplement" work by quantifying it as a percentage of a general contractor to perform work that is permitted under the automatically retained "C" specialty license.

The title of the bill relates to public safety. However the bill fails to include documented evidence of a public safety problem when incidental and supplemental work is performed by the general contractor. If public safety is the issue, then there should be evidence as such to meet the intent of the bill as described in the bill's title.

If this bill is enacted into law, it will only drive the cost of construction up because time will be lost in attempting to define the incidental and supplemental work as the work occurs. Furthermore, what independent party will verify the cost of the incidental and supplemental work? Will this party be available immediately to avoid delays in the construction?

For the reasons stated above, I respectfully request that the Committee hold this bill.



MASONS UNION

Local #1 of Hawaii, IUBAC • Local #630, OP & CMIA, AFL-CIO

2251 North School Street • Honolulu, Hawaii 96819

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"CEMENTING THE BOND OF BROTHERHOOD ACROSS THE STATE"



Via E-mail: CPCTestimony@capitol.hawaii.gov

Via Fax: (808) 586-8437

February 25, 2013

**TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI,
VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE**

SUBJECT: OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.

Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

HEARING DATE: Monday February 25, 2013

TIME: 2:30 P.m.

PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

The MASONS' UNION LOCAL 1 & 630 represents The Ceramic Tile Setters, Marble Setters, Pointer Chalkers, Block Setters, Stone Masons, Plasterers and Cement Finishers.

The HAWAII MASONS UNION LOCAL 1 & 630 opposes H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

First, H.B. 671 attempts to redefine "incidental and supplemental" and second it attempts to change over 50 years of contracting industry practice by targeting the automatic "C" licenses of the general engineering and general building contractors.

This bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken. To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Additionally, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. The proposed legislation will disrupt the recognized work performed by the general contractor. The HAWAII MASONS UNION LOCAL # 1 & 630 opposes H.B. 671 and recommends that the bill be held by the committee.



**International Union of Bricklayers and
Allied Craftworkers Local #1 of Hawaii**
2251 North School St. * Honolulu, HI 96819 * Phone (808) 841-0491 * Fax (808) 847-4782

Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-8437

February 25, 2013

**TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR
AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE**

SUBJECT: OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY. Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

**HEARING DATE: Monday February 25, 2013
TIME: 2:30 P.m.
PLACE: Conference Room 325**

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

The INTERNATIONAL UNION OF BRICKLAYERS and ALLIED CRAFTWORKERS OF HAWAII opposes H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

First, H.B. 671 attempts to redefine "incidental and supplemental" and second it attempts to change over 50 years of contracting industry practice by targeting the automatic "C" licenses of the general engineering and general building contractors.

This bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken. To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Additionally, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. The proposed legislation will disrupt the recognized work performed by the general contractor.

The INTERNATIONAL UNION OF BRICKLAYERS and ALLIED CRAFTWORKERS OF HAWAII opposes H.B. 671 and recommends that the bill be held by the committee.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

"Building Better Communities"

2013 Officers

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Greg Thielen
Complete Construction Services Corp.

President-Elect

Brian Adachi
BKA Builders, Inc.

Vice President

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Mark Kennedy

HASEKO Construction Kamakana, LLC

Marshall Hickox

Homeworks Construction, Inc.

Michael Watanabe

JW, Inc.

Ryan Engle

Bays Lung Rose & Holma

Scotty Anderson

Pacific Rim Partners

W. Bruce Barrett

Castle & Cooke Homes Hawaii, Inc.

Testimony to the House Committee on Consumer Protection and Commerce

Monday, February 25, 2013

2:30 p.m.

Hawaii State Capitol, Room 325

RE: H.B. 671, Relating to Public Safety

Dear Chair McKelvey, Vice-Chair Kawakami, and members of the Committee:

My name is Gladys Marrone, Director of Government Relations for the Building Industry Association of Hawaii (BIA-Hawaii), the voice of the construction industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, affiliated with the National Association of Home Builders.

BIA-Hawaii **opposes** H.B. 671, Relating to Public Safety, which proposes to prohibit a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate. We respectfully request this measure be **held**.

H.B. 671 proposes to redefine "incidental and supplemental" by arbitrarily assigning it a percentage which goes directly against the sustained interpretation by the Contractors License Board (CLB). The CLB has been consistent in their findings that "incidental and supplemental" refers to work in other trades directly related to, and necessary for, the completion of the project. This proposal would be contrary to industry standard.

Furthermore, H.B. 671 targets the general contractor's automatic "C" license by attempting to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. This measure will disrupt the recognized work performed by the general contractor and unjustifiably change over 50 years of contracting industry practice.

For the foregoing reasons, BIA-Hawaii is opposed to H.B. 671 and respectfully requests it be **held**.

Thank you for the opportunity to express our views.

IRON WORKERS STABILIZATION FUND

Fax No. 586-8437

February 22, 2013

Angus McKelvey, Chair
Consumer Protection and Commerce Committee
State House
Room 320 – State Capitol
Honolulu, HI 96813

Re: **Relating to Public Safety**
Hearing Date – February 25, 2013, 2:30 p.m.
Conference Room 325

Chair McKelvey and Members of the Committee

Support of HB 671, Relating to Public Safety

The term “incidental and supplemental” work is insufficiently defined. Contractors abuse this legal ambiguity in order to complete projects outside of their area of licensure. When contractors do work that they are not licensed to perform, they put the public’s safety at jeopardy.

Under Hawaii Administrative Rules, Title 16, Chapter 77, Contractors Section 16-77-34, entitled Work “incidental and supplemental”, it provides:

“Incidental and supplemental” is defined as work in other trades directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee’s license.

This rule was established in 1980, with subsequent amendments.

The following are examples of the abuse of the term “incidental and supplemental”:

Example 1: Ukee Street Buildings without Licensed Rebar Contractors

In our first example, there were two projects performed on Ukee Street in which the Contractors License Board ruled that a licensed Masonry Contractor, C-31, could perform all of the rebar work necessary for the reinforcement of the entire project. The Board’s justification was that the rebar work was “incidental and supplemental” to the Masonry work. The board ruled that the general contract was not required to hire C-41 Reinforcing Steel Contractor to lay *all* of the rebars. This is a not logical because it does

Page 2

not make sense that the entire rebar work for the total project is "incidental and supplemental".

Example 2: Mānoa Library Built without Structural Steel Experts

In the construction of the Manoa Library, a state job, a company that only possesses a C-31 Masonry license was contracted to perform all of the installation of structural steel that is legally in the domain of a C-48, *Structural Steel Contractor*.

The structural work on this project amounted to \$300,000 that should have gone to a C-48 Reinforcing Steel Contractor. The structural soundness of the entire building came into question, raising serious safety issues for the public.

Because of these questionable decisions, we urge this committee to enact a measure that quantifies the term "incidental and supplemental." The quantification of the term will mandate that public safety is not compromised.

Throughout the years, this term, "incidental and supplemental" has been seemingly misconstrued by both the Contractors License Board and hearings officers to reach results that were not within the legislative intent set in HRS Chapter 444, Contractors, and the rules and regulations established thereunder.

We believe that the threshold of 0.5% of the total contract will be a good guidepost that will keep contractors within their area of license expertise, and allow them enough flexibility to go beyond their licensed expertise in those rare cases. This guidepost will increase the safety afforded to the public by the contractors licensing scheme. If contractors wish to do work outside of their licensed expertise, we suggest that they be required to obtain the requisite training and experience, and pass the relevant examinations.

We respectfully request that this measure be passed.



S & M SAKAMOTO, INC.
GENERAL CONTRACTORS

Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-8437

February 25, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.**
Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

HEARING

DATE: Monday February 25, 2013
TIME: 2:30 P.m.
PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

S&M Sakamoto, Inc. strongly opposes H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

First, this bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" **is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken.** To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor.

The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

Accordingly, S&M Sakamoto, Inc. strongly opposes H.B. 671 and recommends that the bill be held by the committee.



Rons Construction Corporation
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Via Fax: (808) 586-6071

February 4, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR
AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND
COMMERCE

SUBJECT: **STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.** Prohibits a general
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as a specialty contractor in an area the general contractor is not licensed to operate.

HEARING
DATE: Monday February 25, 2013
TIME: 2:30 P.m.
PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

Rons Construction Corporation **strongly opposes** H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

First, this bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" **is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken.** To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor.

The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

Accordingly, Rons Construction Corporation strongly opposes H.B. 671 and recommends that the bill be held by the committee.

Very truly yours,
Rons Construction Corporation

Kevin M. Oshiro,
Vice President



RALPH S. INOUE CO LTD
GENERAL CONTRACTOR

2831 Awaawaloa Street
Honolulu, Hawaii 96819

T: 808.839.9002
F: 808.833.5971

License No. ABC-457
Founded in 1962

Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-8437

February 22, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.**
Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

HEARING

DATE: Monday February 25, 2013
TIME: 2:30 P.m.
PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

Ralph S. Inouye Co., Ltd. (RSI), General Contractor and member of the General Contractors Association of Hawaii (GCA), **strongly opposes** H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

First, this bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" **is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken.** To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor.

The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

Accordingly, RSI strongly opposes H.B. 671 and recommends that the bill be held by the committee.

February 22, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.** Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.



HEARING

DATE: Monday February 25, 2013
 TIME: 2:30 P.m.
 PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

Royal Contracting Co., Ltd. **opposes** H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

First, H.B. 671 attempts to redefine "incidental and supplemental" and second it attempts to change over 50 years of contracting industry practice by targeting the automatic "C" licenses of the general engineering and general building contractors.

This bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken. To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Additionally, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. The proposed legislation will disrupt the recognized work performed by the general contractor.

Royal Contracting Co., Ltd. **opposes** H.B. 671 and recommends that the bill be held by the committee.

Regards,


 Leonard K. P. Leong
 Vice President
 Royal Contracting Co., Ltd.

An Equal Employment Opportunity Employer

Royal Contracting Company • 677 Ahua Street • Honolulu, Hawaii 96819 • (808) 839-9006 • Fax (808) 839-7571



general contractor license #ABC 21576

Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-8437

February 22, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.** Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

HEARING

DATE: Monday February 25, 2013
TIME: 2:30 P.m.
PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

LYZ, Inc. strongly opposes H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

First, this bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" **is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken.** To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor.

The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

Accordingly, LYZ, Inc. **strongly opposes** H.B. 671 and recommends that the bill be held by the committee.

A handwritten signature in black ink, appearing to read 'James N. Kurita', is written over a large, stylized circular flourish.

James N. Kurita
Vice President/ Chief Operating Officer

Lindemann Construction Inc.
500 Ala Kawa St. #216-J
Honolulu, HI 96817

Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-8437

February 25, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.**
Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

HEARING

DATE: Monday February 25, 2013
TIME: 2:30 P.m.
PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

Lindemann Construction Inc. strongly opposes H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

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Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor.

The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

Accordingly, Lindemann Construction Inc. strongly opposes H.B. 671 and recommends that the bill be held by the committee.

Honorable Angus McKelvey
Committee on Consumer Protection & Commerce
February 25, 2013
Page 2

William Lindemann
President
Lindemann Construction Inc.



February 22, 2013

SENT VIA E-MAIL: CPCTestimony@capitol.hawaii.gov

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY.**
Prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

HEARING

DATE: Monday February 25, 2013
TIME: 2:30 P.m.
PLACE: Conference Room 325

Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee:

HEALY TIBBITTS BUILDERS, INC. strongly opposes H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

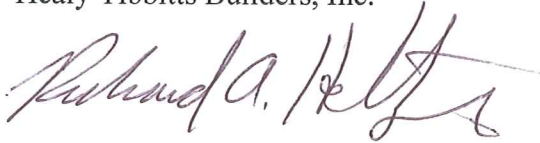
First, this bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" **is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken.** To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor.

The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

Accordingly, HEALY TIBBITTS BUILDERS, INC. strongly opposes H.B. 671 and recommends that the bill be held by the committee.

Very truly yours,
Healy Tibbitts Builders, Inc.

A handwritten signature in black ink, appearing to read "Richard A. Heltzel". The signature is written in a cursive style with a large, sweeping initial "R".

Richard A. Heltzel
President



Alan Shintani Inc.
GENERAL CONTRACTOR BC 13068

February 25, 2013

Testimony to the House Committee on Consumer Protection and Commerce
Monday February 25, 2013, 2:30 pm
State Capitol, Room 325

RE: STRONG OPPOSITION TO H.B. 671, RELATING TO PUBLIC SAFETY

Dear Chair McKelvey, Vice-Chair Kawakami, and members of the Committee,

Alan Shintani, Inc. **strongly opposes** H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. H.B. 671 prohibits a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for.

First, this bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" **is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken.** To quantify incidental and supplemental would go against industry standard and its historical interpretation.

Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor.

The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

Accordingly, Alan Shintani, Inc. **strongly opposes** H.B. 671 and recommends that the bill be held by the committee.

Thank you for the opportunity to share our views.

Sincerely,

President
Alan Shintani, Inc.

William C. Loeffler Construction, Inc.
1451 Kinoole Street, Hilo, HI 96720
License # AC-18017

Testimony to the House Committee on Consumer Protection and Commerce
Monday, February 25, 2013
2:30 p.m.
Hawaii State Capitol, Room 325

RE: H.B. 671, Relating to Public Safety

Dear Chair McKelvey, Vice-Chair Kawakami, and members of the Committee:

Wm. C. Loeffler Construction, Inc. **opposes** H.B. 671, Relating to Public Safety, which proposes to prohibit a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate. We respectfully request this measure be **held**.

H.B. 671 proposes to redefine "incidental and supplemental" by arbitrarily assigning it a percentage which goes directly against the sustained interpretation by the Contractors License Board (CLB). The CLB has been consistent in their findings that "incidental and supplemental" refers to work in other trades directly related to, and necessary for, the completion of the project. This proposal would be contrary to industry standard.

Furthermore, H.B. 671 targets the automatic "C" licenses of a general contractor by attempting to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. This measure will disrupt the recognized work performed by the general contractor and unjustifiably change over 50 years of contracting industry practice.

For the foregoing reasons, Wm. C. Loeffler Construction, Inc. is opposed to H.B. 671 and respectfully requests it be **held**.

Thank you for the opportunity to express our views.



Testimony of Clyde T. Hayashi
Director
Hawaii LECET
1617 Palama Street
Honolulu, HI 96817

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Monday, February 25, 2013
2:30 p.m., Conference Room 325

HB 671 - RELATING TO PUBLIC SAFETY

Aloha Chair McKelvey, Vice Chair Kawakami, and Members of the Committee:

My name is Clyde Hayashi and I am the director of Hawaii LECET (Laborers-Employers Cooperation and Education Trust). Hawaii LECET is a partnership between the Hawaii Laborers' Union, Local 368 and our union contractors.

I am submitting this testimony in **strong opposition** of the intent and purpose of HB 671.

Hawaii LECET strongly opposes HB 671 as it targets our general contractors' licenses. We feel this HB 671 is unnecessary and it will lead to disruptions and confusion in the construction industry.

HB 671 also attempts to change over 50 years of construction industry license practice by targeting the automatic "C" licenses of our general contractors

HB 671 attempts to quantify what is "incidental and supplemental" by arbitrarily assigning it a percentage. This is contrary to the interpretation by the Contractor License Board (CLB) which is that the term "incidental and supplemental" is not a matter of size or percentages. The CLB looks at every project individually and makes a determination.

We are very concerned that HB 671 will adversely affect our general contractors and in turn, negatively impact the 5000 members of the Hawaii Laborers' Union, Local 368.

Thank you for the opportunity to submit this testimony. We **strongly oppose** HB 671 and ask that this bill be held by your committee.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

February 24, 2013

The Honorable Angus McKelvey, Chair
and members
Committee on Consumer Protection and Commerce
Hawai'i State House of Representatives
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Testimony opposing HB671, relating to public safety.

Dear Chair McKelvey, Vice Chair Kawakami, and members of the committee:

The Hawaii Construction Alliance opposes HB671, which would prohibit a general engineering and general building contractor from doing any work that requires it to act as a specialty contractor in an area the general contractor is not licensed to operate.

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Hawai'i Masons Union, Local 1 and Local 630; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local 3. Together, the four member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the four basic crafts of Hawai'i's construction industry.

We find HB671 to be an unnecessary measure which would radically change current construction industry practice and disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

The bill misguidedly attempts to quantify the terms "incidental and supplemental" by setting a specific percentage for that work, which contradicts years of established practice and interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" is not a matter of size or percentages; instead, the CLB has defined these terms as work in other trades directly related to and necessary for the completion of the project undertaken. To attempt to quantify "incidental and supplemental" as a percentage would have a disruptive effect on the construction industry.

We also believe that the proposed amendments in Section 5 represent an attempt to eliminate the type of work that the general contractor can now perform because of qualifications successfully met. This proposal will disrupt the recognized work performed by the general contractor.

For the aforementioned reasons, the Hawai'i Construction Alliance opposes HB671 and urges the committee to hold the bill. Mahalo for the opportunity to testify on this matter.

Aloha,



Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org

kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 22, 2013 11:14 PM
To: CPCtestimony
Cc: 1mu630@gmail.com
Subject: Submitted testimony for HB671 on Feb 25, 2013 14:30PM

HB671

Submitted on: 2/22/2013

Testimony for CPC on Feb 25, 2013 14:30PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Ricky Tamashiro	Individual	Oppose	No

Comments: Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee I oppose H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB).

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 24, 2013 5:54 AM
To: CPCtestimony
Cc: gnohara@genbahawaii.com
Subject: Submitted testimony for HB671 on Feb 25, 2013 14:30PM

HB671

Submitted on: 2/24/2013

Testimony for CPC on Feb 25, 2013 14:30PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Glenn Nohara	Individual	Oppose	No

Comments: Dear Chair Angus McKelvey, Vice Chair Derek Kawakami and Members of the Committee: My name is Glenn Nohara, past president of Koga Engineering & Construction, Inc. and I strongly oppose H.B. 671, Relating to Public Safety because it is an attack on the general contractor's licensure and is unnecessary as it would create a disruption in current construction industry practices. Additionally, H.B. 671 would detrimentally disrupt the current licensing procedures of all contractors by the Contractor's License Board (CLB). H.B. 671 proposes two significant problematic changes to Chapter 444, HRS. First, this bill attempts to redefine "incidental and supplemental" and second it attempts to dictate a change in over 50 years of contracting industry practice by targeting the automatic "C" licenses that the general engineering and general building contractors are qualified for. First, this bill erroneously quantifies "incidental and supplemental" by haphazardly assigning it a percentage which goes directly against the sustained interpretation by the CLB. The CLB has consistently held that the term "incidental and supplemental" is not a matter of size or percentages, but as work in other trades directly related to and necessary for the completion of the project undertaken. To quantify incidental and supplemental would go against industry standard and its historical interpretation. Second, the amendments proposed in Section 5 are an attempt to eliminate the type of work that the general contractor can now perform because of qualifications being met, successful passage of examination and other criteria to do such work. The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation would negatively impact the industry and consequently targets the "A" and "B" general contractors by changing the industry standard recognized for over fifty years. I respectfully ask that this bill be held by the committee.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov