

**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION  
& COMMERCE

TWENTY-SEVENTH LEGISLATURE  
Regular Session of 2013

Monday, February 4, 2013  
2:30 p.m.

**TESTIMONY ON HOUSE BILL NO. 78, RELATING TO CONTRACTORS.**

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

My name is Peter Lee, Chair of the Contractors License Board's Legislation Committee. Thank you for the opportunity to testify in opposition to House Bill No. 78, which amends section 444-8, Hawaii Revised Statutes, by requiring general contractors to pay additional fees and complete specific examinations to obtain an "automatic" specialty license classification.

The Contractors License Board issues the "A" general engineering contractor, "B" general building contractor, and various "C" specialty contractor license classifications. General engineering and general building contractors hold several automatic specialty classifications, which do not require additional license fees or examinations. These automatic classifications are the specialty classifications that encompass the work that the general contractor is allowed to perform. Any additional license classifications that the general contractor would like to obtain requires additional application fees and license examinations.

This bill renders the concept of "automatic" specialty classifications meaningless. It does not make sense to require the general contractor to pay additional license fees

and complete additional examinations for classifications that come “automatically” with the general contractor’s license. Furthermore, pursuant to the Hawaii Supreme Court’s decision in Okada Trucking Co., Ltd. v. Board of Water Supply, the general contractor may only perform work in the “C” specialty classifications that it holds. Therefore, if this bill is passed, a general contractor who meets the experience and examination requirements for a general contractor license, but does not separately qualify for additional “automatic” classifications, would not be able to perform any work whatsoever. This is clearly impractical and not the intent of the licensing statute.

For these reasons, the Board strongly opposes this bill and requests that it be held. Thank you for the opportunity to testify on this measure.

1065 Ahua Street  
Honolulu, HI 96819  
Phone: 808-833-1681 FAX: 839-4167  
Email: [info@gcawhawaii.org](mailto:info@gcawhawaii.org)  
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# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 6, 2013

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

SUBJECT: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

#### HEARING

DATE: Monday February 6, 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 and is the largest construction association in the State of Hawaii. GCA **strongly opposes** H.B. 78, Relating to Contractors and 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. 78, Relating to Contractors proposes to amend Section 444-8, Hawaii Revised Statutes (HRS), which would eliminate the issuance of select automatic "C" specialty licenses to licensed "A" general engineering contractor and the licensed "B" general building contractor.

GCA is strongly opposed to H.B. 78 because (1) no known problems with the current licensing of "A" and "B" general contractors are known and the proposed legislation would disrupt over fifty years of industry practice; and (2) 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.

First, the adoption of H.B. 78 would disrupt over fifty years of industry practice. 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.

Chapter 444, HRS articulates the scope of work that may be performed by the “A” and “B” general contractor and it is clear that they are well qualified to perform the type of work permitted under the automatic “C” specialty licenses. See Section 444-7(b) and 444-7(c), HRS<sup>1</sup>. Furthermore, Section 16-77-32 further articulates which licenses are automatically held by the “A” general engineering contractors and “B” general building contractors. See Appendix 1. Thus, the legislature and the regulating body, Contractors License Law have consistently recognized that the licensing of “A” and “B” General Contractors and their included “C” licenses properly reflects the legislative intent.

Secondly, the proposed amendments to Section 444-8, HRS would diminish the current licensure process by the Contractor’s License Board which meticulously reviews each application for “A”, “B” or “C” licenses and ensures that all requirements are satisfied. Proponents of this legislation may argue that there is a fear that engineering student’s fresh out of college may be unqualified to hold the “A” or “B” license. However, this argument is without merit and highly flawed because applicants must satisfy extensive requirements. Proponents may not understand that the licensure of “A” and “B” contractors requires significant experience in the particular classification the applicant is applying to.

Pursuant to Section 16-77-18, Hawaii Administrative Rules (HAR)

- (a) Every individual applicant or RME shall have had, within the past ten years immediately preceding the filing of an application, not less than four years of supervisory experience as a foreman, supervising employee, or contractor in the particular classification in which the applicant intends to engage as a contractor.

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<sup>1</sup> HRS §444-7 (b) An “A” licensed general engineering contractor is a contractor whose principal contracting business is in connection with fixed works requiring specialized engineering knowledge and skill, including the following divisions or subjects: irrigation, drainage, water power, water supply, flood control, inland waterways, harbors, docks and wharves, shipyards and ports, dams and hydroelectric projects, levees, river control and reclamation works, railroads, highways, streets and roads, tunnels, airports and airways, sewers and sewage disposal plants and systems, waste reduction plants, bridges, overpasses, underpasses and other similar works, pipelines and other systems for the transmission of petroleum and other liquid or gaseous substances, parks, playgrounds and other recreational works, refineries, chemical plants and similar industrial plants requiring specialized engineering knowledge and skill, powerhouses, power plants and other utility plants and installations, mines and metallurgical plants, land leveling and earth-moving projects, excavating, grading, trenching, paving and surfacing work and cement and concrete works in connection with the above mentioned fixed works.

(c) a “B” licensed general building contractor is a contractor whose principal contracting business is in connection with any structure built, being built, or to be built, for the support, shelter, and enclosure of persons, animals, chattels, or movable property of any kind, requiring in its construction the use of more than two unrelated building trades or crafts, or to do or superintend the whole or any part thereof.

Furthermore, a close examination of the description of the work that a "B" general contractor is expected to perform reveals that he is expected to have the experience and skill to do the kind of work encompassed by the seven automatic "C" licenses granted. The reason why an individual is assigned a "C" speciality license is because the individual's experience and expertise is more limited in scope, such that he only performs work in a specialized area.

Thus, an "A" or "B" licensee is tested and required to have wider experience and knowledge than a more limited speciality licensee. The type of automatic "C" licenses granted to the "A" licensee and the "B" licensee is very different, which is reflective of the work each is experienced in and expected to perform. The existing scheme of licenses has a long history and has worked effectively and should not be changed without strong, valid rationale evidence to the contrary.

H.B. 78 is bad legislation and it is an attempt to sabotage the contracting licensing procedure that has proven that it has worked for over five decades and is accepted by the construction industry. For these reasons, H.B. 78 is highly flawed and without merit.

The GCA **strongly opposes** H.B. 78 and respectfully requests that the bill be held.

## SUBCHAPTER 6

## SCOPE OF CLASSIFICATIONS

§16-77-32 General engineering, general building, and specialty contractors.

(a) Licensees who hold the "A" general engineering contractor classification shall automatically hold the following specialty classifications without further examination or paying additional fees:

- (1) C-3 asphalt paving and surfacing;
- (2) C-9 cesspool;
- (3) C-10 scaffolding;
- (4) C-17 excavating, grading, and trenching;
- (5) C-24 building moving and wrecking;
- (6) C-31a cement concrete;
- (7) C-32 ornamental guardrail, and fencing;
- (8) C-35 pile driving, pile and caisson drilling, and foundation;
- (9) C-37a sewer and drain line;
- (10) C-37b irrigation and lawn sprinkler systems;
- (11) C-38 post tensioning;
- (12) C-43 sewer, sewage disposal, drain, and pipe laying;
- (13) C-49 swimming pool;
- (14) C-56 welding;
- (15) C-57a pumps installation;
- (16) C-57b injection well;
- (17) C-61 solar energy systems.

(b) The "A" general engineering contractor may also install poles in all new pole lines and replace poles, provided that the installation of the ground wires, insulators, and conductors is performed by a contractor holding the C-62 pole and line classification. The "A" general engineering contractor may also install duct lines, provided that the installation of conductors is performed by a contractor holding the C-13 electrical classification.

(c) Licensees who hold the "B" general building contractor classification shall automatically hold the following specialty classifications without further examination or paying additional fees:

- (1) C-5 cabinet, millwork, and carpentry remodeling and repairs;
- (2) C-6 carpentry framing;
- (3) C-10 scaffolding;
- (4) C-12 drywall;
- (5) C-24 building moving and wrecking;
- (6) C-25 institutional and commercial equipment;
- (7) C-31a cement concrete;

§16-77-32

- (8) C-32a wood and vinyl fencing;
- (9) C-42a aluminum and other metal shingles;
- (10) C-42b wood shingles and wood shakes.

(d) Licensees who hold a specialty contractors license shall automatically hold the subclassifications of the licensee's particular specialty without examination or paying additional fees. [Eff 8/14/80; am and ren §16-77-32, 6/22/81; am and comp 11/7/83; am and comp 4/14/88; am and comp 12/9/02; comp 4/15/04] (Auth: HRS §§444-4, 444-8) (Imp: HRS §§444-7, 444-8, 444-9, 444-10)

# BIA-HAWAII

## BUILDING INDUSTRY ASSOCIATION

*"Building Better Communities"*

### 2013 Officers

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**President**

**Greg Thielen**  
Complete Construction Services Corp.

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BKA Builders, Inc.

**Vice President**

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**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 4, 2013**

**2:30 p.m.**

**State Capitol - Conference Room 325**

### RE: H.B. 78, RELATING TO CONTRACTORS

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

My name is Gladys Marrone, Government Relations Director 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 **strongly opposes** H.B. 78, Relating to Contractors. This measure specifies that licensed "A" general engineering contractors and licensed "B" general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

We are unaware of any problems relating to the current licensing of "A" and "B" contractors that would warrant this legislation. Furthermore, the Contractor's License Board's (CLB) licensing procedure properly and rigorously 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.

There is no justification or rationale as to why this measure is being proposed as it will severely disrupt half a century of construction industry practice. The negative impact on the industry would be profound. We respectfully request that H.B. be **held** by your committee.

Thank you for the opportunity to express our views on this matter.





Testimony of 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 78 – Relating to Contractors  
Monday, February 4, 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 78, Relating to Contractors. This measure specifies that licensed “A” general engineering contractors and licensed “B” general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

This bill severely upsets the licensing process implemented by the Contractor’s Licensing Board (CLB), a process that has been in place for over fifty years. PRP is unaware of any problems with the current licensing procedure. The requirements are demanding, and the application process ensures that applicants for the “A” and “B” licenses have the knowledge and experience required before approval is granted by the CLB.

The provisions of HB 78 will only serve to make doing business in Hawaii more difficult. General contractors will spend more time filling out paperwork and less time on the job. They will incur needless costs.

In the absence of a compelling reason to strip the automatic "C" licenses from general contractors, we respectfully request that HB 78 be held by your committee.

Mahalo for the opportunity to share our views on this matter.

# PLUMBING & MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII



PLUMBING AND MECHANICAL  
CONTRACTORS ASSOCIATION  
OF HAWAII

TELEPHONE: (808) 597-1216  
FAX: (808) 597-1409  
1314 S. King Street, Suite 961  
Honolulu, Hawaii 96814

**GREGG S. SERIKAKU**  
EXECUTIVE DIRECTOR

Via Email

February 1, 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: HB78 Relating to Contractors**

My name is Gregg Serikaku, I am the Executive Director of the Plumbing and Mechanical Contractors Association of Hawaii. Our Association represents over 40 major plumbing and mechanical contractors who employ more than 1,000 mechanics, technicians, managerial staff, and administrative personnel here in Hawaii.

The Association for which I speak supports the intent of HB78.

Currently an "A" general engineering contractor is automatically granted 17 additional specialty contractor licenses, and a "B" general building contractor is automatically granted 10 additional specialty contractor licenses. These additional specialty licenses are given regardless of whether the "A" or "B" contractor has shown experience in performing work in each specialty category. Therefore, simply by virtue of having an "A" or "B" contractors license, the licensee is able to contract and perform work involving specialized trades such as solar energy systems, swimming pools, welding, pump installation, etc., even though they may have never performed work of this nature before. This creates a potential financial pitfall, or worse, a safety hazard to the unsuspecting consumer who relies on the belief that the contractor has the requisite experience needed to perform the work correctly.

Pursuant to Section 16-77-18, Hawaii Administrative Rules (HAR), every individual applicant or RME shall have not less than four years of supervisory experience as a contractor in the particular classification in which the applicant intends to engage. This requirement applies to all specialty contractor RMEs and is intended to insure that the contractor has the requisite experience to properly contract and perform the specialty work. Why then, is the "A" and "B" general contractor allowed to gain the requisite experience of 17 and 10 specialty trades over the same four year period? This surely does not make sense.

The primary intent of the legislature in creating Hawaii's contractor licensing law, HRS444, was to protect the public's health, safety, and general welfare, in dealing with persons engaged in the construction industry, and to provide an effective protection against incompetent, inexperienced, unlawful and unfair practices of contractors. The granting of automatic specialty licenses without the added qualification requirements is counter to the intent of the law.

Therefore, we support the intent of the bill which requires an "A" or "B" contractor to provide satisfactory proof of experience before being granted the underlying specialty licenses.

Thank you for this opportunity to testify.

Respectfully yours,

Gregg S. Serikaku  
Executive Director

# ***SAH - Subcontractors Association of Hawaii***

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

***Phone: (808) 537-5619 ✦ Fax: (808) 533-2739***

February 4, 2013

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

Presented By: Tim Lyons  
President

Subject: H.B. 78 – RELATING TO CONTRACTORS

Chair McKelvey and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we support this bill.

The Legislature, via the enactment of Chapter 444 HRS, provided for only three (3) types of licenses for contractors:

- "A" General Engineering
- "B" General Building Contractor
- "C" Specialty Contractors

It is then up to the Board to come up with the various specialty classifications and they did so via the enactment of the Administrative Rules.

This bill centers on the fact that along with defining the various specialty contractor licenses such as roofing, painting, plumbing or solar, etc., the Board also took it upon themselves to automatically

and freely give seventeen (17) additional subcontractor specialty licenses to "A" General Engineering Contractors and ten (10) free and without examination specialty contractor licenses to "B" General Contractors. We think it is important to remember that at the time that this was done there were five (5) General Contractors on the Board and only three (3) Subcontractors on the Board.

The issue here is why should General "B" contractors and General "A" contractors get these various twenty-seven (27) specialty licenses automatically, without examination and without the payment of additional fees? The theory we presume, is that some of the activities under the automatic licenses were activities that a General "A" or a General "B" contractor provided however, isn't it strange that there are absolutely no automatic sub-specialty licenses given to specialty licensees who also might also have those kinds of activities included within their license. Isn't it strange that, as an example, one of the automatics is "C-42a Aluminum and other Metal Shingles" when we are not aware of any general who would even attempt this kind of installation. In fact, we could go so far as to say that if generals were tested on this area 99.9% of them would flunk the test.

We think that this is wrong and it has come to the forefront. To cite another example, there is the automatic granting of the "C5" – Cabinet, Millwork, and Carpentry Remodeling and Repairs license. This license, it would seem to us has been very carefully worded so that includes just about anything a general contractor would do without him having to obtain any of the specialty licenses that are required. The C5 description contained in the Subchapter 6 of the Hawaii Administrative Rules, Section 16-77 and enumerated in Exhibit A says that the C5 includes "to do any other work which would be incidental and supplemental to the remodeling or repairing". It also includes "any other work that would not involve changes or additions to the buildings or structures basic components". This is a wide open definition and it seems grossly unfair that while all the various subcontractors must come in and pay their licensing fees, take the exam and qualify via experience, that there are twenty-seven (27) licenses that are automatically issued to general contractors without any further exam or any further payment of fees.

It is based then on this rationale that this bill is offered for the Committee's consideration. We would further note that if the Committee is going to move the bill, there should be some language added in that it does not affect the rights of those applying before the effective date of this Act. Oftentimes

applications can be deferred or postponed for clarification purposes for 60 or even 90 days. It is not our intent to take anything away from anyone that they currently have.

Based on the above, we are in support of this bill.

(Please see list of automatic licenses currently given many have no relationship to tasks typically done by a general contractor.)

Thank you.

# *SAH - Subcontractors Association of Hawaii*

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

*Phone: (808) 537-5619 ✦ Fax: (808) 533-2739*

## List of Licenses

### "A" Licenses

1. C-3 asphalt paving and surfacing;
2. C-9 cesspool
3. C-10 scaffolding;
4. C-17 excavating, grading, and trenching
5. C-24 building moving and wrecking;
6. C-31 a cement concrete;
7. C-32 ornamental guardrail, and fencing'
8. C-35 pile driving, pile and caisson drilling, and foundation;
9. C-37a sewer and drain line;
10. C-37b irrigation and lawn sprinkler systems;
11. C-38 post tensioning;
12. C-43 sewer, sewage disposal, drain, and pipe laying;
13. C-49 swimming pool;
14. C-56 welding;
15. C-57a pumps installation;
16. C-57b injection well;
17. C-61 solar energy systems

### "B" Licenses

1. C-5 cabinet, millwork, and carpentry remodeling and repairs;
2. C-6 carpentry framing;
3. C-10 scaffolding;
4. C-12 drywall;
5. C-24 building moving and wrecking;
6. C-25 institutional and commercial equipment;
7. C-31a cement concrete;
8. C-32a wood and vinyl fencing;
9. C-42a aluminum and other metal shingles;
10. C-42b wood shingles and wood shakes

# IRONWORKERS STABILIZATION FUND

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February 1, 2013

Angus McKelvey, Chair  
Committee on Consumer Protection and Commerce  
State House  
State Capitol  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Date: February 4, 2013  
Time: 230 p.m.  
Place: Conference Room 325, State Capitol

Dear Honorable Chair McKelvey and Members of the Committee Consumer Protection and Commerce:

Re: Strong Support for HB78– Relating to Contractors

We are in strong support for HB78 relating to Contractors with some additional friendly language.

The purpose of this bill protects the general public from General Contractors that are not qualified to hold and do specialty work. The Hawaii Administrative Rules clearly states that individuals obtaining Specialty License must have "...not less than four years of supervisory experience as a foreman, supervising employee, or contractor in the particular classification in which the applicant intends to engage as a contractor." As such, we believe that if the Specialty Contractors must have these standards for public safety, it is only fair and reasonable everyone should also meet the same qualifications.

Consequently, we believe that the following statement should be added in to the language:

"...B" general building contractors without further examination, must have at least four years of supervisory experience as a foreman, supervising employee, or contractor in the particular classification in which the applicant intends to engage as a contractor, and payment of additional fees."

We strongly support this measure for the working men and women of Hawaii. Thank you for your time and consideration.

Sincerely,

Arnold Wong /s/



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

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: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 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** the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

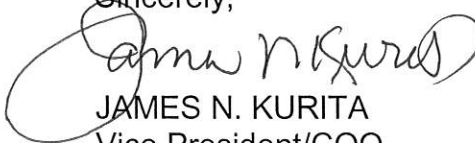
H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does not appear to be any current problems or valid reasons that such a drastic change is necessary. The proposed legislation would negatively impact the industry and consequently target "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

Accordingly, LYZ, Inc. **strongly opposes** H.B. 78 and recommends that the bill be held by the committee.

Sincerely,



JAMES N. KURITA  
Vice President/COO






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**ISLAND MECHANICAL CORPORATION**

P.O. Box 700399  
 Kapolei, Hawaii 96709  
 Ph 808-682-5363 Fax 808-682-5072

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

February 1, 2013

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

SUBJECT: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 2013  
 TIME: 2:30 p.m.  
 PLACE: Conference Room 325

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

**ISLAND MECHANICAL CORPORATION strongly opposes** the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does not appear to be any current problems or valid reasons that such a drastic change is necessary. The proposed legislation would negatively impact the industry and consequently target "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

**Accordingly, ISLAND MECHANICAL CORPORATION strongly opposes H.B. 78 and recommends that the bill be held by the committee.**



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**ROAD BORE CORPORATION**

P.O. Box 700398  
Kapolei, Hawaii 96709  
Ph 808-682-5363 Fax 808-682-5072

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

February 1, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE  
CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER  
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general building contractor be required to take examinations for the select specialty "C" licenses  
that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does  
not appear to be any current problems or valid reasons that such a drastic change is necessary.  
The proposed legislation would negatively impact the industry and consequently target "A" and  
"B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor.  
The proposed legislation will have an overall negative effect on the construction industry and  
over fifty years of industry practice.

**Accordingly, ROAD BORE CORPORATION strongly opposes H.B. 78 and recommends  
that the bill be held by the committee.**

# **SMCA** *Sheet Metal Contractors Association*

2850 Pa'a Street, Suite 207, Honolulu, HI 96819-4431, Ph (808) 845-9393, Fax (808) 845-9395 email: neal@smcahi.com  
NEAL K. ARITA  
Executive Director

## **TESTIMONY TO THE HOSE OF REPRESENTATIVES COMMITTEE ON CONSUMER PROTECTION AND COMMERCE**

**Representative Angus L.K. McKelvey, Chair**

**MONDAY FEBRUARY 4, 2013**

**Re: H.B. 78 Relating to Contractors**

**Dear Chair McKelvey and members of the Committee:**

I am Neal Arita, Executive Director of The Sheet Metal Contractors Association, which represents Sub-contractors of the Sheet Metal Industry in Hawaii.

H.B. 78 is one of the more practical bills. It is not divisive and serves to insure that all contractors are qualified for the work they perform.

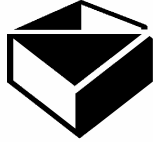
Currently, the "General Contractor" (ie "A," or "B" licenses) are automatically given additional specialty licenses. The existing application and acceptance process cannot and does not adequately screen and test the individual.

Please consider this bill, as it would provide a means to provide a better screening process, additional revenue for the Licensing Board and better qualified General Contractors. Additionally, we would like to suggest that there be some language added in that does not affect the rights of those holding and/or applying before the effective date of this Act.

Therefore, we are in **support** of this bill.

Sincerely,

Neal Arita  
Executive Director  
Sheet Metal Contractors Association



# STEELTECH

99-1324 Koaha Place Aiea, HI. 96701 (808) 487-1445 phone (808) 487-5307 fax [oli@steeltechinc.biz](mailto:oli@steeltechinc.biz)

February 4, 2013

Via E-mail: [CPCTestimony@capitol.hawaii.gov](mailto:CPCTestimony@capitol.hawaii.gov)

Via Fax: (808) 586-8437

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

SUBJECT: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

## HEARING

DATE: Monday February 4, 2013  
TIME: 2:30 p.m.  
PLACE: Conference Room 325

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

SteelTech, Inc. **strongly opposes** the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does not appear to be any current problems or valid reasons that such a drastic change is necessary. The proposed legislation would negatively impact the industry and consequently target "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

SteelTech has been a licensed General Contractor in Hawaii since 1977. This bill will negatively affect our company in this down economy. Like many other established and responsible general contractors in Hawaii, this bill would only put undue burden on these tax paying employers.

The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

Accordingly, SteelTech, Inc. **strongly opposes** H.B. 78 and recommends that the bill be held by the committee. Thank-you for your consideration.

Respectfully submitted,

Frederick "Oli" Woolsey  
Vice President & RME BC 17393  
SteelTech, Inc.  
Hawaii License BC 8626



87-2020 Farrington Highway ■ Waianae, Hawaii 96792 ■ Tel: 808 668-4561 ■ FAX: 808 668-1368 ■ Website: www.pvtland.com

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

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: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 2013  
TIME: 2:30 p.m.  
PLACE: Conference Room 325

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

**PVT Land Company** strongly opposes the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does not appear to be any current problems or valid reasons that such a drastic change is necessary. The proposed legislation would negatively impact the industry and consequently target "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

**Accordingly, PVT Land Company** strongly opposes H.B. 78 and recommends that the bill be held by the committee.



**S & M SAKAMOTO, INC.**  
GENERAL CONTRACTORS

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

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: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors  
and general building contractors will require further examination and additional fees prior  
to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 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** the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does not appear to be any current problems or valid reasons that such a drastic change is necessary. The proposed legislation would negatively impact the industry and consequently target "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

**Accordingly, S & M Sakamoto, Inc. strongly opposes H.B. 78 and recommends that the bill be held by the committee.**

Very truly yours,  
S & M Sakamoto, Inc.

Gerard Sakamoto, President



*The Trusted Integrator for Sustainable Solutions*

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

February 1, 2013

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

SUBJECT: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 2013  
TIME: 2:30 p.m.  
PLACE: Conference Room 325

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

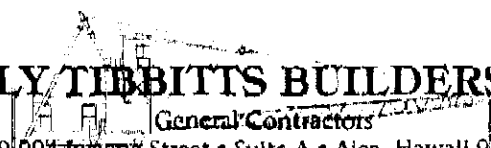
**I, Younes khosroshahi Weston Hawaii RME , strongly opposes the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.**

H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does not appear to be any current problems or valid reasons that such a drastic change is necessary. The proposed legislation would negatively impact the industry and consequently target "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

**Accordingly, Younes khosroshahi Weston Hawaii RME, strongly opposes H.B. 78 and recommends that the bill be held by the committee.**



# HEALY TIBBITTS BUILDERS, INC.

General Contractors

99-294 Twentieth Street • Suite A • Aiea, Hawaii 96701  
 Telephone: (808) 487-3664 • Facsimile: (808) 487-3660

Via E-mail: [CPCTestimony@cap.toi.hawaii.gov](mailto:CPCTestimony@cap.toi.hawaii.gov)  
 Via Fax: (808) 586-8437

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: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering  
 contractors and general building contractors will require further examination and  
 additional fees prior to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 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 the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

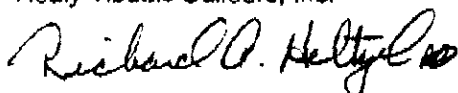
H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does not appear to be any current problems or valid reasons that such a drastic change is necessary. The proposed legislation would negatively impact the industry and consequently target "A" and "B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

Accordingly, Healy Tibbitts Builders, Inc. strongly opposes H.B. 78 and recommends that the bill be held by the committee.

Very truly yours,  
 Healy Tibbitts Builders, Inc.



Richard A. Heltzel  
 President



DALE MOORE GENERAL CONTRACTOR  
BC-18674  
P.O. Box 62149 Honolulu HI 96839  
[Mooreohana@aol.com](mailto:Mooreohana@aol.com)  
808 927-0404

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: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering  
contractors and general building contractors will require further examination and  
additional fees prior to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 2013  
TIME: 2:30 p.m.  
PLACE: Conference Room 325

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

**DALE MOORE GENERAL CONTRACTOR** strongly opposes the passage of H.B. 78,  
Relating to Contractors because it is unnecessary and would create a disruption in current  
construction industry practices. Additionally, H.B. 78 would dismiss the current licensing  
procedures in place with the Contractor's License Board for the licensure of "A" and "B" general  
contractors.

H.B. 78 proposes to require that a licensed "A" general engineering contractor and licensed "B"  
general building contractor be required to take examinations for the select specialty "C" licenses  
that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does  
not appear to be any current problems or valid reasons that such a drastic change is necessary.  
The proposed legislation would negatively impact the industry and consequently target "A" and  
"B" general contractors by changing the industry standard recognized for over fifty years.

The proposed legislation will disrupt the recognized work performed by the general contractor.  
The proposed legislation will have an overall negative effect on the construction industry and  
over fifty years of industry practice.

**Accordingly, DALE MOORE GENERAL CONTRACTOR** strongly opposes H.B. 78 and  
**recommends that the bill be held by the committee.**



Rons Construction Corporation  
2045 Kamehameha IV Road  
Honolulu, HI 96819

Via E-mail: [CPCTestimony@capitol.hawaii.gov](mailto:CPCTestimony@capitol.hawaii.gov)  
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: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering  
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NOTICE OF HEARING

DATE: Monday February 4, 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** the passage of H.B. 78, Relating to  
Contractors because it is unnecessary and would create a disruption in current construction  
industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place  
with the Contractor's License Board for the licensure of "A" and "B" general contractors.


S.B. 347 proposes to require that a licensed "A" general engineering contractor and licensed "B"  
general building contractor be required to take examinations for the select specialty "C" licenses  
that are incorporated into their existing licenses.

It is difficult to understand the possible justification for the proposed legislation, as there does  
not appear to be any current problems or valid reasons that such a drastic change is necessary.  
The proposed legislation would negatively impact the industry and consequently target "A" and  
"B" general contractors by changing the industry standard recognized for over fifty years.

It is apparent that the proposed legislation will disrupt the recognized work performed by the  
general contractor. The proposed legislation will have an overall negative effect on the  
construction industry and over fifty years of industry practice.

**Accordingly, Rons Construction Corporation strongly opposes H.B. 78 and recommends  
that the bill be held by the committee.**

Very truly yours,  
Rons Construction Corporation

  
Kevin M. Oshiro,  
Vice President



97-255 O'hana Street, Napoali, Hawaii 96707

▲ Tel: 808.682.1315 ▲ Fax: 808.682.5629 ▲ Toll Free: 1.800.342.1513 ▲ License ASC 1240

Via E-mail: [CPCTestimony@deltaconstruction.com](mailto:CPCTestimony@deltaconstruction.com)  
Via Fax: (808) 682-5629

February 1, 2013

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

SUBJECT: H.B. 78, RELATING TO CONTRACTORS. Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

HEARING

DATE: Monday February 4, 2013  
TIME: 2:30 p.m.  
PLACE: Conference Room 325

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

**DELTA CONSTRUCTION CORPORATION strongly opposes** the passage of H.B. 78, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, H.B. 78 would dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

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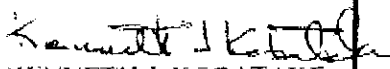
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The proposed legislation will disrupt the recognized work performed by the general contractor. The proposed legislation will have an overall negative effect on the construction industry and over fifty years of industry practice.

**Accordingly, DELTA CONSTRUCTION CORPORATION strongly opposes H.B. 78 and recommends that the bill be held by the committee.**

Very truly yours,

DELTA CONSTRUCTION CORPORATION

By   
KENNETH J. KOBATAKE  
President

An Equal Opportunity Employer