

SB 347

Measure Title: RELATING TO CONTRACTORS.

Report Title: Contractors; Licenses

Description: Specifies that general engineering contractors and general building contractors will require further examination and additional fees prior to issuance of additional specialty licenses.

Companion:

Package: None

Current Referral: CPN, WAM

Introducer(s): BAKER, Galuteria, Hee, Ige, Keith-Agaran

<u>Sort by</u> <u>Date</u>		Status Text
1/18/2013	S	Introduced.
1/18/2013	S	Passed First Reading.
1/22/2013	S	Referred to CPN, WAM.
1/24/2013	S	The committee(s) on CPN has scheduled a public hearing on 01-30-13 8:30AM in conference room 229.

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

TO THE SENATE COMMITTEE ON COMMERCE
AND CONSUMER PROTECTION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Wednesday, January 30, 2013
8:30 a.m.

TESTIMONY ON SENATE BILL NO. 347, RELATING TO CONTRACTORS.

TO THE HONORABLE ROSALYN H. BAKER, 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 Senate Bill No. 347, 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, 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.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

"Building Better Communities"

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Complete Construction Services Corp.

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JW, Inc.

Ryan Engle

Bays Lung Rose & Holma

Scotty Anderson

Pacific Rim Partners

W. Bruce Barrett

Castle & Cooke Homes Hawaii, Inc.

Testimony to the Senate Committee on Commerce and Consumer Protection

Wednesday, January 30, 2013

8:30 a.m.

State Capitol - Conference Room 229

RE: SENATE BILL NO. 347, RELATING TO CONTRACTORS

Dear Chair Baker, Vice Chair Galuteria, 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** S.B. 347, 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 (Board) 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 S.B. 347 be **held** by your committee.

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



Testimony of The Pacific Resource Partnership

Senate Committee on Commerce and Consumer Protection
Senator Rosalyn Baker, Chair
Senator Brickwood Galuteria, Vice Chair

SB 347 – Relating to Contractors
Wednesday, January 30, 2013
8:30 am
Conference Room 229

Aloha Chair Baker, Vice Chair Galuteria 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** SB 347, 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 SB347 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 SB 347 be held by your committee.

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



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Via Fax: (808) 586-6071

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

Hawaiian Dredging Constuction Company strongly opposes the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, Hawaiian Dredging Construction Company strongly opposes S.B. 347 and recommends that the bill be held by the committee.



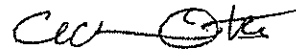
Tom Valentine, RME
Vice President, Power & Industrial Division



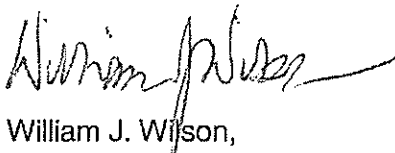
Paul Silen, RME
Vice President, Commercial Division



Leonard Dempsey, RME
Vice President, Heavy Division



Cedric Ota, RME
Vice President, Waterfront & Foundations
Division



William J. Wilson,
President





STEELTECH

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January 30, 2013 Via E-mail: CPCTestimony@capitol.hawaii.gov Via Fax: (808) 586-6071

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

SteelTech, Inc. **strongly opposes** the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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.

SteelTech, Inc. has been a licensed general contractor in Hawaii since 1977. This bill will negatively affect our company in this down economy. Accordingly, SteelTech, Inc. **strongly opposes** S.B. 347 and humbly requests that the bill be held by the committee. Mahalo for your consideration.

Respectfully submitted,

Oli Woolsey

Digitally signed by Oli Woolsey
DN: cn=Oli Woolsey, o=SteelTech, Inc.,
ou, email=oli@steeltechinc.biz, c=US
Date: 2013.01.29 07:01:15 -10'00'

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

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR; HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria 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** S.B. 347, 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.

S.B. 347, 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 S.B. 347 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 S.B. 347 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), HRS¹. 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 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.

¹ 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.

S.B. 347 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, S.B. 347 is highly flawed and without merit.

The GCA **strongly opposes** S.B. 347 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)



MASONS UNION

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

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Via Fax: (808) 586-6071

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE:
Wednesday, January 30, 2013
TIME:
8:30 a.m.
PLACE:
Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

HAWAII MASONS UNION strongly opposes the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices.

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 both current and future "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, HAWAII MASONS UNION strongly opposes S.B. 347 and recommends that the bill be held by the committee.

Sincerely,

Nolan G. Moriwaki
Financial Secretary Treasurer
Business Manager



ROAD BORE CORPORATION

P.O. Box 700398
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Via Fax: (808) 586-6071

January 28, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

ROAD BORE CORPORATION strongly opposes the passage of S.B. 347, relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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.

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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, ROAD BORE CORPORATION strongly opposes S.B. 347 and recommends that the bill be held by the committee.



ISLAND MECHANICAL CORPORATION

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Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-6071

January 28, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

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DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

ISLAND MECHANICAL CORPORATION **strongly opposes** the passage of S.B. 347, relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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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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, ISLAND MECHANICAL CORPORATION **strongly opposes** S.B. 347 and recommends that the bill be held by the committee.



LED COR CONSTRUCTION HAWAII LLC
1003 Bishop Street, Suite 2150
Honolulu, HI 96813
Phone: 808-540-0777
Fax 808-524-6803
Contractor License Number: ABC - 25954

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

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PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

Ledcor Construction Hawaii LLC strongly opposes the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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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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, Ledcor Construction Hawaii LLC strongly opposes S.B. 347 and recommends that the bill be held by the committee.

Yours truly,
LED COR CONSTRUCTION HAWAII LLC

A handwritten signature in black ink, appearing to read "Chris Thorpe", written over a circular stamp or seal.

Christopher G. Thorpe
Branch Manager

Direct Line: 808.599.9520
Email: chris.thorpe@ledcor.com



S & M SAKAMOTO, INC.
GENERAL CONTRACTORS

Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-6071

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA,
VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND
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PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

S & M Sakamoto, Inc. strongly opposes the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, **S & M Sakamoto, Inc. strongly opposes** S.B. 347 and recommends that the bill be held by the committee.

Very truly yours,

Gerard Sakamoto, President

DALE MOORE GENERAL CONTRACTOR

BC-18674

mooreohana@aol.com

808 927-0404

January 25, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

Dale Moore General Contractor **strongly opposes** the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, Dale Moore General Contractor **strongly opposes** S.B. 347 and recommends that the bill be held by the committee.



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) 586-6071

January 28, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria 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** the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, RSI **strongly opposes** S.B. 347 and recommends that the bill be held by the committee.



Kohala Creative
Construction

LLC

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

Via Fax: (808) 586-6071

January 28, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA,
VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND
CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

Kohala Creative Construction is **AGAINST** the passage of S.B. 347, Relating to Contractors because it would interfere with current industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in jeopardy and destroy the current licensing procedures of 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. This is absurd.

This bill will create unnecessary bureaucracy, increase the cost of construction, and delay existing and future projects. It serves no purpose and should not leave committee.

Accordingly, Kohala Creative Construction strongly opposes S.B. 347 and recommends that the bill be held by the committee.

Sincerely:

Michael Bonahan
General Contractor

P.O. Box 44316
Kamuela, HI 96743

Lic. #BC-24630

Ph: 808-880-1436
Fax: 808-882-4604



Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-6071

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

LYZ, Inc. **strongly opposes** the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and dismiss the current licensing procedures in place with the Contractor's License Board for the licensure of "A" and "B" general contractors.

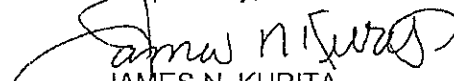
S.B. 347 proposes to require that a licensed "A" general engineering contractor and licensed "B" general building contractor be required to take examinations for the select specialty "C" licenses that are incorporated into their existing licenses.

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 both current and future "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 LYZ, Inc. **strongly opposes** S.B. 347 and recommends that the bill be held by the committee.

Respectfully,


JAMES N. KURITA
President/COO



Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-6071

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

Construction Systems Hawaii LLC **strongly opposes** the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, Construction Systems Hawaii LLC strongly opposes S.B. 347 and recommends that the bill be held by the committee.

94-150 Leoleo Street, Unit B-10, Waipahu, Hawaii 96797
Phone No. (808) 356-7833 * Facsimile No. (808) 678-3330 * Email csh@cshawaii.com

C&C Construction, Inc.

1321 Moonui Street
Honolulu, Hawaii 96817

January 25, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

C&C Construction, Inc. **strongly opposes** the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, C&C Construction, Inc. **strongly opposes** S.B. 347 and recommends that the bill be held by the committee.

TOMCO CORP. *General Contractors*

Via E-mail: CPCTestimony@capitol.hawaii.gov
Via Fax: (808) 586-6071

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

TOMCO CORP. strongly opposes the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, TOMCO CORP. strongly opposes S.B. 347 and recommends that the bill be held by the committee.

500 Ala Kawa St., Suite #100A Honolulu, Hawaii 96817
Telephone #: (808) 845-0755 Fax #: (808) 845-1021
Lic# ABC 16941



MEMO

building solutions

Date: **JANUARY 30, 2013**

To: **HONORABLE ROSALYN BAKER, CHAIR, HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

From: **ERIC G. TESSEM, SR. VICE PRESIDENT AND GENERAL MANAGER**

Subject: **S.B. 347, 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.**

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

Via Fax: (808) 586-6071

NOTICE OF HEARING

DATE: Wednesday, January 30, 2013

TIME: 8:30 a.m.

PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

dck pacific construction, LLC **strongly opposes** the passage of S.B. 347, Relating to Contractors because it is unnecessary and would create a disruption in current construction industry practices. Additionally, S.B. 347 would put existing "A" general contracting and "B" general building licenses in question and 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 both current and future "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, dck pacific construction, LLC strongly opposes S.B. 347 and recommends that the bill be held by the committee.

SMCA *Sheet Metal Contractors Association*

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

TESTIMONY TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair

WEDNESDAY JANUARY 30, 2013

Re: S.B. 347 Relating to Contractors

Dear Chair Baker 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.

S.B. 374 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.

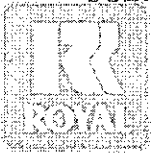
Sincerely,

Neal Arita
Executive Director
Sheet Metal Contractors Association

January 30, 2013

TO: HONORABLE ROSALYN BAKER, CHAIR; HONORABLE BRICKWOOD GALUTERIA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SUBJECT: S.B. 347, 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.



NOTICE OF HEARING

DATE: Wednesday, January 30, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 229

Dear Chair Rosalyn Baker, Vice Chair Brickwood Galuteria and Members of the Committee:

As a Contractor with a Type A & B license I don't know why such a drastic change to current practice is being proposed by S.B. 347.

During the past 40 years I have not seen or heard of any complaints to warrant a change.

As such, Royal Contracting Co., Ltd strongly oppose passage of S.B. 347.

SAH - Subcontractors Association of Hawaii

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

Phone: (808) 537-5619 + Fax: (808) 533-2739

January 30, 2013

Testimony To: Senate Committee on Commerce and Consumer Protection
Senator Rosalyn H. Baker, Chair

Presented By: Tim Lyons
President

Subject: S.B. 347 – RELATING TO CONTRACTORS

Chair Baker 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.)

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

PLUMBING & 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

January 28, 2013

Senator Rosalyn H. Baker, Chair
Senator Brickwood Galuteria, Vice-Chair
Senate Committee on Commerce and Consumer Protection
The Twenty-Seventh Legislature, Regular Session of 2013

Chair Baker, Vice Chair Galuteria, and Members of the Committee:

SUBJECT: SB347 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 SB347.

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.

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.

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

Chair Baker, Vice Chair Galuteria

Jan 29,2013

Relating to Contractors SB347

I stand in opposition to this measure. As someone who served 8 years on the CLB, the last two as Chair, I think I can speak to the thoroughness of the Board in its examination of applicants for licensing.

The Contractor License Board has operated for over 50 years and has done an excellent job of governance regarding License Laws and who should have a license and what should be involved in having that license.

If you look at the requirements for either the "A" or "B" license you will see that in order to qualify for the license you would have to perform the jobs listed in the given "C" category.

Also the language of the proposed legislation is not totally clear on what is being proposed i.e.; does it affect current holders, just new or what exactly. Also asking contractors to sit for 10 or 17 or whatever more exams and having those fees is not very efficient.

F.M. Scotty Anderson

2435 Aha Aina Place

Honolulu, Hi 96821

808-306-5697.