

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 1301
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1301 entitled:

"A BILL FOR AN ACT RELATING TO PROFESSIONS AND OCCUPATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Board of Electricians and Plumbers to regulate plumber air conditioning and refrigeration pipefitters and plumber fire sprinkler pipefitters;
- (2) Revise the minimum qualifications of various journey worker plumbers and master plumber beginning on July 1, 2015;
- (3) Exclude certain work from the owner-builder licensing exemption; and
- (4) Include individuals performing plumber air conditioning and refrigeration pipefitter work or plumber fire sprinkler pipefitter work and boiler hot-water heating and steam fitting contractors, fire protection contractors, refrigeration contractors, and ventilation and air conditioning contractors employing certain individuals on a construction job site under the requirement of section 444-9.5, Hawaii Revised Statutes, that at least half of the individuals performing certain



work be licensed in accordance with chapter 448E, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Board of Electricians and Plumbers; Plumbers and Fitters Union, Local 675; Plumbing and Mechanical Contractors Association of Hawaii; Hawaii Building and Construction Trades Council, AFL-CIO; and Hawaii Insurers Council. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii; Sheet Metal Workers' International Association, Local Union 293; Hawai'i Construction Alliance; AMV Air Conditioning Inc.; Complete Construction Services Corp.; Hawaii Laborers' Union; Guss and Kopp Development; and Hawaii Laborers-Employers Cooperation and Education Trust. Your Committee received comments on this measure from the Contractors License Board; Building Industry Association of Hawaii; and International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local Union Number 625.

Your Committee finds that the State Building Code Council is in the process of adopting the next set of codes. With the growing trend and necessity for water conservation, building codes are changing to reduce water flow and encourage the safe use of reclaimed non-potable water. Currently, only potable water is piped into residential and commercial buildings. However, your Committee further finds that the plumbing industry will be adopting the 2012 Uniform Plumbing Code, which significantly expands the use of non-potable water in residential and commercial buildings, including applications in air conditioning systems, refrigeration systems, and fire sprinkler systems. New applications of non-potable water will result in a complex network of potable and non-potable water piping within a residence or building and will increase the possibility of dangerous cross connections if the individuals working on these systems are not properly trained.

Your Committee additionally finds that with the newly created non-potable water technologies and processes, it is necessary to provide the public with assurances that properly trained and experienced individuals can install, maintain, and repair air conditioning, refrigeration, and fire sprinkler systems that are in compliance with national codes and guidelines intended to protect public health and safety.



Your Committee notes that the intent of this measure, as it relates to the licensing of tradespersons to perform air conditioning and refrigeration or fire sprinkler work, is to prepare and train the workforce to handle the changes and innovations related to non-potable water technologies and processes. However, your Committee has heard concerns that this measure, as introduced, contains overly broad references to pipefitting and would require new licensing for workers who are currently regulated under other chapters of the Hawaii Revised Statutes. Your Committee understands these concerns and notes that the Department of Commerce and Consumer Affairs has been working with interested stakeholders to reach a consensus on these issues.

Your Committee finds that amendments to this measure are necessary to narrow the work related to pipefitting and clarify that the scope of this work is limited to pipefitting associated with plumbing, air conditioning and refrigeration, or fire sprinkler work. Amendments to this measure are also necessary to delay implementation of the continuing competency requirements for journey worker air conditioning and refrigeration plumbers and journey worker fire sprinkler plumbers. Your Committee notes that the Board of Electricians and Plumbers intends to work closely with the University of Hawaii community colleges and the testing contractor to ensure that the continuing competency courses and examinations for the new licensing types will be available soon after June 30, 2018. This will provide journey worker air conditioning and refrigeration plumbers and journey worker fire sprinkler plumbers sufficient time to meet the continuing competency requirements by June 30, 2021.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a purpose section;
- (2) Removing language that would have excluded certain work from the owner-builder licensing exemption;
- (3) Removing language that would have amended section 444-9.5, Hawaii Revised Statutes, regarding the percentage of licensed individuals on a job necessary to perform certain work;
- (4) Narrowing and clarifying the definitions of "journey worker air conditioning and refrigeration plumber";



"journey worker fire sprinkler plumber", "journey worker plumber", and "master plumber";

- (5) Clarifying certain minimum qualifications for journey worker specialty electricians, journey worker plumbers, and journey worker industrial electricians;
- (6) Clarifying the minimum requirements that an applicant for licensure pursuant to chapter 448E, Hawaii Revised Statutes, must possess and delaying the effective date of the requirements to July 1, 2016;
- (7) Specifying that journey worker air conditioning and refrigeration plumbers and journey worker fire sprinkler plumbers shall renew their licenses every three years effective June 30, 2018;
- (8) Specifying requirements for licensure renewal beginning June 30, 2021, and thereafter;
- (9) Clarifying the continued competency requirements for licensure renewal;
- (10) Removing language related to the counties' rights to inspect plumber air conditioning and refrigeration pipefitters and plumber fire sprinkler pipefitters;
- (11) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure is a work in progress. The Department of Commerce and Consumer Affairs will continue to work with the original proponents and opponents of this measure to ensure that concerns related to cross contamination from non-potable water are appropriately addressed, while also remaining mindful of the existing licensing requirements for other trades. This amended measure is not intended to require licensure for workers of any trade other than air conditioning and refrigeration or fire sprinkler and does not include the work customarily performed by the sheet metal industry. This amended measure is also not intended to require licensure for all workers performing pipefitting; rather it

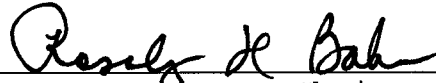


focuses on the pipefitting associated with plumbing, air conditioning and refrigeration, or fire sprinkler work and does not preclude other properly licensed contractors from performing pipefitting work within the scope of their license.

Your Committee also notes that this amended measure is intended to be used as a starting point for discussions as this measure moves through the Legislative process. Your Committee is encouraged by the discussions on this measure and is hopeful that consensus among all parties can be reached during this legislative session.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1301, S.D. 1, and be placed on the calendar for Third Reading.

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

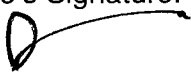


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1301	CPN	2/27/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.		✓		
SOLOMON, Malama		✓		
TANIGUCHI, Brian T.		✓		
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	3	3		1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes