

# HB570

Measure Title: RELATING TO CONTRACTORS.  
Report Title: Unlicensed Contractors; Increased Penalties; Elders  
Description: Increases the fine against unlicensed contractors who commit licensing violations against elders.  
Companion:  
Package: None  
Current Referral: CPN, WAM  
Introducer(s): ICHIYAMA, BROWER, CHOY, HAR, HASHEM, ITO, KAWAKAMI, MORIKAWA, OHNO, TAKAYAMA, TSUJI, YAMASHITA, Cullen



NEIL ABERCROMBIE  
GOVERNOR

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LT. GOVERNOR

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PRESENTATION OF  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE SENATE COMMITTEE ON  
COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH STATE LEGISLATURE  
REGULAR SESSION, 2014

THURSDAY, MARCH 13, 2014  
9:30 A.M.

TESTIMONY ON HOUSE BILL NO. 570  
RELATING TO CONTRACTORS

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND TO THE HONORABLE BRIAN T. TANIGUCHI, VICE CHAIR,  
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 570, Relating to Contractors. My name is Daria Loy-Goto, Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). RICO offers the following testimony in support of the bill.

House Bill No. 570 amends §444-10.7, Hawaii Revised Statutes ("HRS"), to increase the fine against unlicensed contractors who commit violations against the

elderly from \$10,000 to \$20,000. The fine amount has not been increased since 1996 when §444-10.7, HRS, was enacted.

As the enforcement arm for the Contractors License Board, RICO prosecutes unlicensed contracting cases, many of which involve homeowners who are sixty-five years of age and older. Many victims of unlicensed contractors suffer in some way, from lost down payments to poor workmanship. Elderly victims, however, are particularly vulnerable because they may have fewer resources. For the last five years, RICO has investigated and/or prosecuted at least 47 contracting complaints involving elderly complainants. RICO supports this bill because it will strongly deter unlicensed contracting violations perpetrated against the elderly.

Thank you for the opportunity to testify on House Bill No. 570. I will be happy to answer any questions the Committee members may have.

**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

**TO THE SENATE COMMITTEE  
ON COMMERCE AND CONSUMER PROTECTION**

**TWENTY-SEVENTH LEGISLATURE  
Regular Session of 2014**

Thursday, March 13, 2014  
9:30 a.m.

**TESTIMONY ON HOUSE BILL NO. 570, RELATING TO CONTRACTORS.**

**TO THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND MEMBERS OF THE COMMITTEE:**

My name is Peter H. M. Lee, Chair of the Contractors License Board's Legislative Committee. Thank you for the opportunity to testify on House Bill No. 570, which proposes to increase the maximum penalty for targeting elderly persons from \$10,000 to \$20,000.

The Contractors License Board supports the increase of the maximum penalty as it enhances the State's ability to protect consumers.

Thank you for allowing us to testify on this bill.

# *SAH - Subcontractors Association of Hawaii*

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March 13, 2014

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

Presented By: Tim Lyons  
President

Subject: H.B. 570 – RELATING TO CONTRACTORS

Chair Baker and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. The Subcontractors Association of Hawaii is composed of the following nine separate and distinct subcontracting organizations which include:

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

We support this bill.

Unlicensed contracting by itself is a horrible thing as far as we are concerned. There are many fine licensed and affordable contractors who follow the laws, pay their taxes, are covered by the proper insurance and do the proper work. To have individuals out there running around who are unlicensed, most of the time to an unknowing consumer, is just bad for everyone. It is typical that these kinds of individuals don't pay their taxes, they don't honor their warranties and they don't always even finish the job. Particularly susceptible to these kind of offenses are the elderly.

We have heard of instances where individuals have gone on rooftops and painted useless coatings and then charged the elderly homeowner by the bucket only to have the roof "leak like a sieve" the next time it rained. If the work that you do is in excess of \$10,000 even if you get caught you will still make some money off the job.

Therefore, we are in accordance with raising the penalty to be sure that there is a sufficient financial deterrent to stop this kind of activity.

Thank you.