

SB 2475

Measure Title: RELATING TO ASSISTING UNLICENSED CONTRACTORS.

Report Title: Contractors; Licensees; Aiding and Abetting; Discipline

Description: Clarifies that a contractor licensee who aids and abets an unlicensed contractor may be subject to additional discipline by the contractors license board.

Companion: HB2583

Package: None

Current Referral: CPN/JDL

Introducer(s): BAKER, WAKAI, Nishihara, Taniguchi



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
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

AND

TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR

TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION, 2014

TUESDAY, FEBRUARY 11, 2014
9:30 A.M.

TESTIMONY ON SENATE BILL NO. 2475
RELATING TO ASSISTING UNLICENSED CONTRACTORS

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
TO THE HONORABLE CLAYTON HEE, CHAIR,
AND TO THE HONORABLE BRIAN T. TANIGUCHI, VICE CHAIR,
AND TO THE HONORABLE MAILE S.L. SHIMABUKURO, VICE CHAIR,
AND MEMBERS OF THE COMMITTEES:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on Senate Bill No. 2475, Relating to Assisting Unlicensed Contractors. My name is Daria Loy-Goto, Complaints and Enforcement Officer of the Department's Regulated Industries Complaints Office ("RICO"). RICO offers the following testimony in support of the bill.

Senate Bill No. 2475 amends §444-9.3, Hawaii Revised Statutes ("HRS") to provide that a contractor licensee who aids and abets an unlicensed contractor may be subject to further discipline by the Contractors License Board ("Board"). The bill seeks the same amendments as Senate Bill No. 2824, the Department's Administration bill, and will enable RICO to pursue, and authorize the Board to take, disciplinary action against contractor licensees who aid and abet unlicensed contractors.

We believe the bill will not only enhance enforcement efforts, but also serves an important consumer protection function by dissuading licensed contractors from recommending unlicensed contractors to unwitting consumers.

Thank you for the opportunity to testify in support of Senate Bill No. 2475. I will be happy to answer any questions members of the Committees may have.

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

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

AND

TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR

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

**Tuesday, February 11, 2014
9:30 a.m.**

**TESTIMONY ON SENATE BILL NO. 2475, RELATING TO ASSISTING UNLICENSED
CONTRACTORS.**

**TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
TO THE HONORABLE CLAYTON HEE, CHAIR,
AND MEMBERS OF THE COMMITTEES:**

My name is Peter H. M. Lee, Chairperson of the Contractors License Board's ("Board") Legislative Committee. Thank you for the opportunity to testify in support of Senate Bill No. 2475, which proposes to clarify that a licensed contractor who aids and abets an unlicensed contractor may be subject to additional discipline by the Board.

Although the Board has not had an opportunity to review and discuss this bill, it has supported measures that enhance its ability to protect consumers. Thank you for allowing us to testify on this bill.

SAH - Subcontractors Association of Hawaii

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

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

February 11, 2014

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

Presented By: Tim Lyons
President

Subject: S.B. 2475 - RELATING TO ASSISTING UNLICENSED CONTRACTORS

Chair Baker and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. The SAH represents the following nine separate and distinct subcontracting organizations.

Those organizations are:

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.

The subject of unlicensed contractors is often the number one complaint that licensed contractors have. We find it particularly objectionable to complain about unlicensed contractors on the one hand and aid and abet them on the other hand.

Therefore, since this bill will allow the Board to discipline licensees for assisting unlicensed contractors we agree and support it.

Thank you for the opportunity to testify.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the Senate Committees on Commerce and Consumer Protection and Judiciary and Labor

Tuesday, February 11, 2014

9:30 a.m.

State Capitol - Room 229

SUBJECT: S.B. 2475, Relating to Assisting Unlicensed Contractors

Dear Chairs Baker and Hee, Vice-Chairs Taniguchi and Shimabukuro, and members of the Committees;

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, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** S.B. 2475, which seeks to clarify that a contractor licensee who aids and abets an unlicensed contractor may be subject to additional discipline by the Contractors License Board (CLB).

Unlicensed contractors do not play by rules that licensed contractors play by. They are a menace to the State, by not being bonded or insured, and to homeowners, who would be liable for any injuries sustained on the job by the unlicensed contractor. That being said, however, should a licensed contractor aid and abet an unlicensed contractor, we agree that that licensed contractor should also be subject to discipline.

We appreciate the opportunity to express our **support** for S.B. 2475.



HAWAII ISLAND CONTRACTORS' ASSOCIATION

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Testimony to the Senate Committee on Commerce and Consumer Protection and the Senate
Committee on Judiciary and Labor
Tuesday, February 11, 2014
9:30 p.m.
Capitol Conference Room 229

RE: SB 2475, RELATING TO ASSISTING UNLICENSED CONTRACTORS

Dear Chair Baker, Chair Hee, and members of the Committees,

The Hawaii Island Contractors Association **strongly supports** SB 2475, which proposes to clarify that a contractor licensee who aids and abets an unlicensed contractor may be subject to additional discipline by the contractors license board.

Our Association feels that given the ongoing problem with unlicensed activity jeopardizes our legitimate construction industry, and costs our state valuable tax revenue.

For the preceding reasons, The Hawaii Island Contractors' Association **strongly supports** SB 2673.

Respectfully Submitted,

John E.K. Dill
Co-Chair, Legislative Committee, Hawaii Island Contractors' Assn.