



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

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

TO THE HOUSE COMMITTEE ON JUDICIARY

TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION, 2014

FRIDAY, MARCH 28, 2014
2:00 P.M.

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

TO THE HONORABLE KARL RHOADS, CHAIR,
AND TO THE HONORABLE SHARON E. HAR, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

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").

Testimony on Senate Bill No. 2475
March 28, 2014
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Senate Bill No. 2475 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 Committee may have.

**PRESENTATION OF THE
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON JUDICIARY

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2014

Friday, March 28, 2014
2:00 p.m.

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

TO THE HONORABLE KARL RHOADS, CHAIR,
AND MEMBERS OF THE COMMITTEE:

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.

The Board supports this measure as it enhances 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

March 24, 2014

Testimony To: House Committee on Judiciary
Representative Karl Rhoads, Chair

Presented By: Tim Lyons
President

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

Chair McKelvey 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 House Committee on Judiciary

Friday, March 28, 2014

2:00 p.m.

State Capitol - Room 325

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

Dear Chair Rhoads, Vice-Chair Har, 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, 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.