

44

Honolulu, Hawaii

February 9, 2015

RE: H.B. No. 713
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 713 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Contractors License Board and Board of Electricians and Plumbers ("Boards") to train and deputize volunteer investigators and grant them immunity from liability;
- (2) Require the Contractors License Board to investigate, classify, and qualify applicants for licenses;
- (3) Increase the penalties for contracting violations;
- (4) Require the Boards to report to the Legislature on the effectiveness of the training and deputizing of volunteer investigators; and
- (5) Appropriate funds from the Compliance Resolution Fund for the training and deputizing of investigators.

The Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office; Board of Electricians and Plumbers; Subcontractors Association of Hawaii; General Contractors



Association of Hawaii; and the Hawaii Construction Alliance commented on this measure. The Contractors License Board testified in opposition to this measure.

Your Committee finds that it is important to investigate unlicensed workers to ensure compliance with Hawaii's public works projects laws. This ensures that workers are appropriately licensed, classified, and paid. Your Committee finds that the Department of Labor and Industrial Relations ("Department") is better suited than the Boards to handle the responsibility of volunteer investigators on public works projects. Therefore, your Committee has amended this measure by:

- (1) Authorizing the Department, and not the Boards, to train and deputize volunteer investigators for public works projects;
- (2) Requiring the Department to submit status reports to the Legislature;
- (3) Appropriating funds from the general fund instead of the Compliance Resolution Fund and changing the expending agency to the Department; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 713, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 44

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 713	Committee Referral: LAB, CPC, FIN	Date: 2-3-2015		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. AQUINO, Henry J.C.	/			
4. HAR, Sharon E.				✓
5. ICHIYAMA, Linda	/			
6. JOHANSON, Aaron Ling	/			
7. LOPRESTI, Matthew S.	/			
8. SAN BUENAVENTURA, Joy A.	/			
9. TAKAYAMA, Gregg	/			
10. TAKUMI, Roy M.	/			
11. YAMASHITA, Kyle T.	/			
12. TUPOLA, Andria P.L.		✓		✗
TOTAL (12)	10	1		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
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