

Honolulu, Hawaii

APR 27 2017

RE: S.B. No. 865
S.D. 1
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 865, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Require any person applying for a license as an electrical contractor, except a pole and line contractor or high voltage electrical contractor, or electronic systems contractor to also possess either an underlying trade license or an electrical engineering degree; and
- (2) Provide an exemption for public utilities and community antennae television companies.



Your Committee on Conference finds that this measure was intended to address concerns regarding a potential loophole in existing law that may enable certain sole proprietors, who have applied for electrical contractor licenses but do not possess a journey worker electrician trade license or have an electrical engineering background, to perform or supervise electrical field work on the job site. This measure therefore requires any person applying for a license as an electrical contractor, except a pole and line contractor or high voltage electrical contractor, or electronic systems contractor to possess a trade license or an electrical engineering degree from an accredited college.

However, your Committee on Conference understands the concerns raised by the Contractors License Board (Board) and the Department of Commerce and Consumer Affairs (Department) that this measure places an unfair burden on an applicant's eligibility for licensure in the C-13 (electrical contractor) or C-15 (electronic systems contractor) classifications, and may have an adverse effect on current C-13 or C-15 licensees who do not have an underlying trade license or electrical engineering degree. According to the Department and the Board, none of the more than forty contractor classifications requires an applicant to have a separate underlying trade license or educational degree. Your Committee on Conference notes that this is because there is a difference between being qualified to contract for certain types of contracting work and actually performing such contracting work.

Your Committee on Conference concludes that amendments to this measure are necessary to clarify when licensed individuals may contract for certain types of contracting work and ensure that any persons performing such work are appropriately licensed to do so, in a manner that does not overly burden or disadvantage otherwise qualified applicants and licensees.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Permitting persons licensed as an electrical or plumbing contractor to enter into contracts to perform electrical or plumbing work, respectively; provided that if a contractor's responsible managing employee, which includes a sole proprietor, is not licensed as an electrician or plumber, as applicable, then the contractor shall employ individuals who are licensed as an electrician or plumber to actually perform the electrical or plumbing work;



- (2) Clarifying that employees of a community antennae television company and employees of a public utility within the State are exempt while employed and acting within the scope of their employment;
- (3) Deleting language that would have required any person applying for a license as an electrical contractor, except a pole and line contractor or high voltage electrical contractor, or electronic systems contractor to also possess either an underlying trade license or an electrical engineering degree from an accredited college;
- (4) Changing its effective date to July 1, 2017;
- (5) Updating the purpose section to reflect its amended purpose; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 865, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 865, S.D. 1, H.D. 1, C.D. 1.

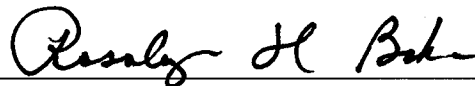
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ROY M. TAKUMI
Chair



ROSALYN H. BAKER
Chair



Hawaii State Legislature

CCR 44

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 865, SD 1, HD 1	Date/Time: 4-25-17 3:16 pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

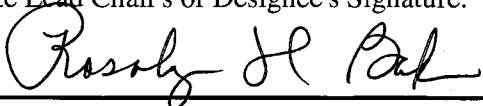
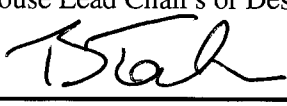
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				TAKUMI, Roy M., Chr.	✓			
CHANG, Stanley	✓				FUKUMOTO, Beth	✓			
NISHIHARA, Clarence K.				✓	WARD, Gene	✓			
TOTAL	2	-	-	1	TOTAL	3	-	-	-

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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