

STAND. COM. REP. NO.

564

Honolulu, Hawaii

MAR 02 2017

RE: S.B. No. 865

S.D. 1

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

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 865 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose and intent of this measure is to require any person applying for a license as an electrical contractor, pole and line contractor, high voltage electrical contractor, or electronic systems contractor, except for employees of a public utility, to possess a trade license or an electrical engineering degree from an accredited college to perform electrical work in the State.

Your Committee received testimony in support of this measure from the Electrical Contractor's Association of Hawai'i; International Brotherhood of Electrical Workers, Local Union No. 1186, AFL-CIO; International Brotherhood of Electrical Workers, Local Union No. 1260, AFL-CIO; Home Security & Sound, Inc.; Carpet, Linoleum and Soft Tile, Local Union 1926, Market Recovery Trust Fund; Hawaii Glaziers, Architectural Metal Glassworkers, Local Union 1889, AFL-CIO, Stabilization Trust Fund; Hawaii Tapers Market Recovery Trust Fund; and Painting Industry of Hawaii Labor Management Cooperation Trust Fund. Your Committee received testimony in opposition to this measure from the Contractors License Board; Custom Electronic Design & Installation Association; Power Contracting, LLC; and Hawaiian Electric



Company, Inc. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that under existing law, electrical contractors in Hawaii must pass a state-required test to manage an electrical contracting company. This electrical contractor license is different from the journey worker electrician license that is also required under state law for an individual to perform or supervise electrical work in the field. According to testimony received by your Committee, there is concern that a loophole in existing law may be enabling certain sole proprietors, who have applied for electrical contractor licenses, to perform or supervise electrical field work on the job site, without obtaining the appropriate journey worker electrician license or having the equivalent background knowledge of an electrical engineer. This measure attempts to address this loophole by requiring any person applying for a license as an electrical contractor, pole and line contractor, high voltage electrical contractor, or electronic systems contractor, except for employees of a public utility, to possess a trade license or an electrical engineering degree from an accredited college.

However, according to testimony received by your Committee, the skills associated with the C-62 (pole and line contractor) and C-63 (high voltage electrical contractor) specialty contractor licenses require the skills of a journey worker lineman, which are a completely different set of skills than those required of a journey worker electrician. In Hawaii, C-62 and C-63 licensees must possess the knowledge and skills to work on energized lines with primary voltages up to 138,000 volts. This high voltage work requires very specialized skills, and different training, tools, and equipment from the more common low-voltage electrician work that may be performed by a person holding a C-13 (electrical contractor) specialty contractor license. As the intent of this measure is to ensure persons performing or supervising low-voltage electrical field work are appropriately licensed, your Committee concludes that amendments to this measure are needed.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required any person applying for a license as a pole and line contractor or high voltage electrical contractor to possess a trade

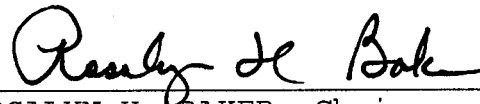


license or an electrical engineering degree from an accredited college;

- (2) Clarifying that the exemption applies to a public utility or a community antennae television company, rather than employees employed by a public utility or community antennae television company;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 865, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



