

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 24, 2017 9:30 AM
To: CPH Testimony
Cc: stab625@yahoo.com
Subject: *Submitted testimony for SB1144 on Feb 24, 2017 09:30AM*

Categories: Late

SB1144

Submitted on: 2/24/2017

Testimony for CPH on Feb 24, 2017 09:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Arnold	Ironworkers Stabilization	Support	No

Comments:

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February 24, 2017

TO: SENATOR ROSALYN H. BAKER, CHAIR COMMERCE, CONSUMER PROTECTION, AND HEALTH
SENATOR CLARENCE K. NISHIHARA, VICE-CHAIR COMMERCE, CONSUMER PROTECTION, AND HEALTH
MEMBERS OF THE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

FROM: BRUCE CONWAY, SR. DIRECTOR OF OPERATIONS
POWER CONTRACTING LLC

RE: SENATE BILL 1144 RELATING TO CONTRACTORS – **OPPOSE**

Dear Chair Baker, Vice-Chair Nishihara and Members of the Committee:

I am Bruce Conway, Sr. Director of Operations for POWER Contracting LLC writing to oppose SB 1144 Relating to Contractors. We are a licensed electrical contractor in Hawaii with C-62 and C-63 license.

SB1144 would amend the statutory definition of Responsible Managing Employee ("RME") to require that the RME direct and supervise installations. This change is problematic for two reasons.

First, under our agreement with our union, IBEW 1186, the RME is considered a manager and would not be permitted to be a Union member. Our contract with the Union prohibits management from supervising or directing the Journeyman Lineman that work for us. Management must work through the General Foreman and Foreman who communicate and give direction to the Journeyman Lineman.

Second, the change runs counter to the role of the RME as outlined within the Hawaii Administrative Rules. Specifically, HAR Section 16-77-71(a) describes the responsibilities of the RME as "primarily responsible for the direct management of the business of the contracting entity" and goes on to list the compliance, contract review and oversight, record-keeping, and is liable for violations of the rules and Chapter 444.

The licensing provisions within Chapter 444 and HAR 16-77 provide protections for customers and contractors. We respectfully ask you to defer this bill.



HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST
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**TESTIMONY OF HAWAII LECET
CLYDE T. HAYASHI - DIRECTOR**

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Senator Rosalyn H. Baker, Chair
Senator Clarence K. Nishihara, Vice Chair

NOTICE OF HEARING

DATE: Friday, February 24, 2017
TIME: 9:30AM
PLACE: Conference Room 229

TESTIMONY ON SENATE BILL NO. 1144, RELATING TO CONTRACTORS.

ALOHA COMMITTEE CHAIR ROSALYN BAKER, COMMITTEE VICE CHAIR CLARENCE NISHIHARA, AND MEMBERS OF THE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH:

My name is Clyde T. Hayashi, and I am the Director of Hawaii LECET. Hawaii LECET is a labor-management partnership between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Mahalo for the opportunity to testify in **OPPOSITION** to Senate Bill No. 1144. This bill proposes to amend definition of RME to mean one who directs and supervises installations.

Hawaii Administrative Rules 16-7-3 already defines "Responsible managing employee" or "RME" to mean the individual who is a bona fide employee of the contracting entity that maintains a current contractor's license, and who qualifies the contracting entity for a contractor's license in the licensed classifications held by the individual.

In most cases, the RME manages the company. Directing and supervising installations are generally the responsibility of a superintendent, supervisor, or jobsite foreman.

For these reasons, I **strongly oppose** Senate Bill No. 1144 and humbly ask that it is deferred.



ELECTRICAL CONTRACTOR'S ASSOCIATION OF HAWAII

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February 23, 2017

To: Senate Committee on Consumer Protection & Health
Honorable Chairperson Rosalyn Baker & Vice Chairman Clarence Nishihara

From: Al Itamoto, Executive Director
Electrical Contractors Association of Hawaii
National Electrical Contractors Association, Hawaii Chapter

Subject: SB 1144 Relating to Contractors

Notice of Hearing

Date: Friday, February 24, 2017
Time: 9:30 AM
Place: Conference Room 229
State Capitol
415 South Beretania Street

Dear Chair Baker and Committee members:

The Electrical Contractors Association of Hawaii (ECAH) is a non-profit association representing over 100 electrical contractors doing business in the State of Hawaii. ECAH **opposes** the intent and purpose of SB 1144 that adds to the definition of RME, the responsible managing employee, "who directs and supervises installations". While the RME is ultimately responsible for all work of the contractor, it's unclear if this proposed change will require the RME to be present to direct and supervise all installations; it would be physically impossible. Generally, contractors will have supervising personnel on site to observe and direct any and all installations. ECAH suggests that the definition should include that the RME should reside in the State of Hawaii.

Based on the above, ECAH **opposes** the passage of SB 1144 and encourage this committee to kill this bill.

Thank you for the opportunity to provide testimony on this issue.

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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 24, 2017

TO: HONORABLE ROSALYN BAKER, CHAIR HONORABLE CLARENCE NISHIHARA, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH

SUBJECT: **STRONG OPPOSITION TO S.B. 1144, RELATING TO CONTRACTORS.**
Amends definition of RME as used in the contractors law to clarify responsibilities.

HEARING

DATE: February 24, 2017
TIME: 9:30 a.m.
PLACE: Conference Room 229

Dear Chair Baker, Vice Chair Nishihara and Committee Members,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

The GCA is **in strong opposition** to S.B. No. 1144, Relating to Contractors, which proposes to amend Section 444-1, HRS, by amending the definition of RME (Responsible Managing Employee) to mean an individual **who directs and supervises installations**.

The GCA is strongly opposed to the proposed change in the definition since it does not cover the actual work performed by an RME or Responsible Managing Employee. The proposed definition is much too narrow and only covers one aspect of the work that an RME performs. For example, the RME of a large general contractor is involved in the myriad aspects of running a large business, including activities such as budgeting, estimating, checking on work of subcontractors, and checking on building permits, consulting with architects, and many other tasks. The work of an RME is not limited to directing and supervising installation. It appears the proponent of this measure is proposing it to address the role of an electrical contractor without understanding the impact it may have on other licensed RME's and their roles within a company. The RME is intimately involved with the different aspect of running a business and the proposed definition would hamstring the ability to utilize the RME as the law originally intended.

For these reasons, GCA is in **strong opposition** to S.B. 1144 and we respectfully request that bill is deferred.