

STAND. COM. REP. NO. 2444

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2376
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 2376
entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose and intent of this measure is to raise the
threshold under the contractor licensing law's handyman exemption
from \$1,000 to \$5,000.

Your Committee received testimony in support of this measure
from the Hawai'i Association of REALTORS® and O'ahu County
Committee on Legislative Priorities of the Democratic Party of
Hawai'i. Your Committee received testimony in opposition to this
measure from the Plumbing & Mechanical Contractors Association of
Hawaii; International Union of Painters and Allied Trades,
District Council 50; Subcontractors Association of Hawaii; Hawaii
Laborers-Employers Cooperation and Education Trust; Painting
Industry of Hawaii Labor Management Cooperation Trust Fund;
Building Industry Association of Hawaii; Elite Mechanical, Inc.;
Hawai'i Construction Alliance; HPS Services, Inc.; HPS Construction
Services, Ltd.; and one individual. Your Committee received
comments on this measure from the Department of Commerce and
Consumer Affairs Regulated Industries Complaints Office and
Contractors License Board.



Your Committee finds that under chapter 444, Hawaii Revised Statutes, any construction work that costs more than \$1,000 or that requires a building permit must be performed by a licensed contractor; however, the handyman exemption allows the hiring of a person not licensed as a contractor if the total value of the project, including labor and materials, is equal to or less than \$1,000. Your Committee further finds that as housing costs have increased in Hawaii, the cost of housing materials has also increased; therefore, many small home repair projects may easily exceed \$1,000. And with increased costs, even for maintenance or minor jobs, finding licensed contractors for smaller jobs has been difficult, especially on the neighbor islands and in rural areas.

Your Committee acknowledges that this measure is a work in progress and appreciates the information provided by the Department of Commerce and Consumer Affairs and all of the testimony submitted. In light of the fact that the handyman threshold dollar amount has not been raised since 1992, your Committee finds that while the original amount stated in this measure is too high, an adjustment should be considered and further discussion on the actual amount is necessary.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a blank dollar amount for the handyman exemption; and
- (2) Inserting an effective date of January 1, 2045, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2376, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.



Respectfully submitted on
behalf of the members of the
Committee on Labor,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* SB2376	Committee Referral: LBR, CPH	Date: 2/13/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
CHANG, Stanley	✓			
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.			✓	
TOTAL	4		1	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes