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**PRESENTATION OF THE
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE HOUSE COMMITTEE ON INTRASTATE COMMERCE

TWENTY-NINTH LEGISLATURE
Regular Session of 2017

Wednesday, February 8, 2017
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 1080, RELATING TO THE AUTHORITY TO
ADJUST PROFESSIONAL AND VOCATIONAL LICENSING FEES.**

TO THE HONORABLE TAKASHI OHNO, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Celia Suzuki, Licensing Administrator of the Professional and Vocational Licensing Division (“PVLD”), Department of Commerce and Consumer Affairs (“Department”). The Department appreciates the opportunity to submit testimony in strong support of this Administration bill, House Bill No. 1080, Relating to the Authority to Adjust Professional and Vocational Licensing Fees.

The purpose of House Bill No. 1080 is to update the existing authority to adjust licensing fees to include six licensing laws (chapters 436H, 440E, 465D, 466D, 472, and 481E, HRS) that are currently not included in Hawaii Revised Statutes §92-28(1), and to add language to allow for the automatic inclusion of all future licensing regulatory areas specifically and statutorily assigned to the DCCA pursuant to title 25, HRS.

Section 92-28, HRS, was last updated in 2007. Since then, six new licensing areas have been added to the PVLD for regulation. The six areas are Athletic Trainers, Behavior Analysts, Mixed Martial Arts, Respiratory Therapists, Uniform Athlete Agents, and Veterinary Technicians. This measure also updates section 92-28, HRS, to include language that will allow for the automatic inclusion of any new PVLD licensing laws or other laws creating boards, commissions, or programs within DCCA pursuant to title 25, HRS. The amendments to the law are essential in order to timely decrease or increase fees in a manner that is fair and impartial to all licensees.

Thank you for the opportunity to provide testimony in strong support of this Administration bill, House Bill No. 1080.

SAH - Subcontractors Association of Hawaii

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February 8, 2017

Testimony To: House Committee on Intrastate Commerce
Representative Takashi Ohno, Chair

Presented By: Tim Lyons, President

Subject: H.B. 1080 - RELATING TO THE AUTHORITY TO ADJUST PROFESSIONAL AND
VOCATIONAL LICENSING FEES.

Chair Ohno and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii and we oppose this bill as written. The SAH represents the following nine separate and distinct contracting trade organizations.

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

TILE CONTRACTORS PROMOTIONAL PROGRAM

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII

SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII

PAINTING AND DECORATING CONTRACTORS ASSOCIATION

PACIFIC INSULATION CONTRACTORS ASSOCIATION

Under the terms of this bill, the Department can increase licensing fees by 50% and as we read it, it could be 50% per year. That is worse than a proposed administrative rule made mid-2016 which would have called for an increase only every seven (7) years.

We would like to note that we do not deny DCCA an increase in fees as we do think that they have done an efficient and admirable job in administering their various professional and vocational licensing programs and we realize that they face increased expenses like everyone else. However, we also think that an unlimited 50% increase in fees every time we turn around is too much freedom to grant even for a department that would likely do so in only a reasonable fashion.

We feel compelled to recommend that the percentage be lowered to 10% and only to a maximum of every three (3) to five (5) years.

With some kind of restraints we could then endorse a fee increase bill but not to the extent that this bill allows.



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February 8, 2017

Testimony To: House Committee on Intrastate Commerce
Representative Takashi Ohno, Chair

Presented By: Marc Matsubara, President

Subject: H.B. 1080 - RELATING TO THE AUTHORITY TO ADJUST
PROFESSIONAL AND VOCATIONAL LICENSING FEES.

Chair Ohno and Members of the Committee:

I am Marc Matsubara, President of the Hawaii Flooring Association. We oppose this bill as it is written.

Allowing the department freedom to increase fees unilaterally and when, we do not think it is proper. We recognize they have additional expenses however those should have to be justified.

Thank you.



ROOFING CONTRACTORS ASSOCIATION OF HAWAII

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February 8, 2017

Testimony To: House Committee on Intrastate Commerce
Representative Takashi Ohno, Chair

Presented By: Scott Ai, President

Subject: H.B. 1080 - RELATING TO THE AUTHORITY TO ADJUST
PROFESSIONAL AND VOCATIONAL LICENSING FEES.

Chair Ohno and Members of the Committee:

I am Scott Ai, President of the Roofing Contractors Association of Hawaii. We oppose this bill as it is written.

This bill grants too much authority to the department at 50%. The percentage needs to be lowered and there needs to be some timeframe put on the frequency of increases.

Thank you.



HAWAII PEST CONTROL ASSOCIATION

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February 8, 2017

Testimony To: House Committee on Intrastate Commerce
Representative Takashi Ohno, Chair

Presented By: Tammy Murray, President

Subject: H.B. 1080 - RELATING TO THE AUTHORITY TO ADJUST PROFESSIONAL
AND VOCATIONAL LICENSING FEES.

Chair Ohno and Members of the Committee:

I am Tammy Murray, President of the Hawaii Pest Control Association, an Association composed of approximately 85 structural pest control operators. We oppose this bill as it is written.

We do not agree with a bill that will allow 50% increases every year. Please limit the increase and the percentage.

Thank you.



**PACIFIC INSULATION
CONTRACTORS ASSOCIATION**

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February 8, 2017

Testimony To: House Committee on Intrasate Commerce
Representative Takashi Ohno, Chair

Presented By: Ron Labanon, President

Subject: H.B. 1080 - RELATING TO THE AUTHORITY TO ADJUST
PROFESSIONAL AND VOCATIONAL LICENSING FEES.

Chair Ohno and Members of the Committee:

I am Ron Labanon, President of the Pacific Insulation Contractors Association. We oppose this bill as it is written.

Fee increases are unfortunately necessary however we do not think that 50% increases are justifiable. We would love to be able to increase our prices by 50% but cannot. We need limitations on the percentage increase as well as how often they are allowed to do it.

Thank you.



HAWAII CHAPTER - AMERICAN PHYSICAL THERAPY ASSOCIATION

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**HB1080, Relating to the Authority to Adjust Professional and Vocational Licensing Fees
House IAC Committee Hearing
Wednesday, February 8, 2017 – 9:00 am
Room 429
Position: Support; Amendments Offered**

Chair Ohno and Members of the House IAC Committee:

I am Gregg Pacilio, PT and Board President of the Hawaii Chapter of the American Physical Therapy Association, a non-profit professional organization serving more than 300 member Physical Therapists and Physical Therapist Assistants. Our members are employed in hospitals and health care facilities, the Department of Education school system, and private practice. We are part of the spectrum of care for Hawaii, and provide rehabilitative services for infants and children, youth, adults and the elderly. Rehabilitative services are a vital part of restoring optimum functioning from neuromusculoskeletal injuries and impairments.

The Hawaii Chapter of the American Physical Therapy Association is in support of SB946, which updates HRS Section 92-28 to include any board, commission, program or entity created pursuant to title 25 and assigned to the Department of Commerce and Consumer Affairs or placed within the Department for administrative purposes.

Proposed Amendments:

We suggest that the HRS be amended to include any special assessments made by the Department. Last year the DCCA levied a \$100 cost over the \$130 renewal fee, a 77% assessment. This was for physical therapists. For the physical therapy assistants, there was another \$100 added to their renewal and similar assessment making their total renewal cost \$330, i.e., a 154% assessment. This additional \$100 was imposed to offset a shortfall in the licensure of this new group. This special assessment was a burden for the smaller, lower earning group, the PTAs, and could have been more evenly applied across the 1,000 PT licensees.

We propose that Section 1. Section 92-28, Hawaii Revised Statutes, be amended to read as follows and in items (2), (3), and (5):

Section 92-28 "State service fees; increase or decrease of. Any law to the contrary notwithstanding, the fees, including special assessments or other nontax revenues assessed or charged by any board, commission, or other governmental agency may be increased or decreased by the body in an amount not to exceed fifty per cent of the statutorily assessed fee or nontax revenue, to maintain a reasonable relation between the revenues derived from such fee, including special assessment or nontax revenue and the cost of value of services rendered, comparability among fees imposed by the State, or any other purpose which it may deem necessary and reasonable; provided that:

(2) The authority to increase or decrease fees, including special assessments or nontax revenues under the chapters listed in paragraph (1) that are established by the department of commerce and consumer affairs shall apply to fees, including special assessments or nontax revenues established by statute or rule;

(3) The authority to increase or decrease fees, including special assessments or nontax revenues established by the University of Hawaii under chapter 304A shall be subject to the approval of the board of regents; provided that the board's approval of any increase or decrease in tuition for regular credit courses shall be preceded by an open public meeting held during or prior to the semester preceding the semester to which the tuition applies;

(5) The authority to increase or decrease fees, including special assessments or nontax revenues pursuant to this section shall be exempt from the public notice and public hearing requirements of chapter 91; and

Thank you for the opportunity to testify. Please feel free to contact Joanne Ishikawa, HAPTA's Legislative Chair at 808-221-4001 for further information.