

**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON  
INTRASTATE COMMERCE

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Wednesday, January 31, 2018  
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 1618, RELATING TO THE CONTRACTORS  
LICENSE BOARD.**

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

My name is Peter H.M. Lee, and I am the Chairperson of the Contractors License Board ("Board") Legislative Committee. Thank you for the opportunity to testify in strong opposition to H.B. 1618.

This measure proposes to change the qualifications of each Board member. The Board strongly opposes this measure for the following reasons:

1. New qualifications for contractor board members.

Currently, contractors who wish to serve on the Board are required to be actively engaged in the contracting business for five years preceding the date of their appointment to the Board. This bill proposes to increase this requirement to ten years. The proposed requirement seems excessive and is unwarranted because a licensed contractor has already demonstrated at least four years of supervisory experience in the field to qualify for a contractor's license. In addition, five years of being actively engaged in the contracting business are required to be eligible to serve on the Board. The Board believes that five years of active engagement in the contracting business are

sufficient to carry out the duties of a Board member and make meaningful contributions to the Board.

Further, increasing the number of years to be actively engaged in the contracting business will reduce the number of qualified contractors that are eligible to serve on the Board. Board members are volunteers who give their time and expertise to, among other things, review applications, respond to scope of work inquiries, and amend its administrative rules. It is difficult to find contractors who have the ability to take time off from work for as many as three days a month to conduct Board business, who are not pursuing their own agenda, and who are not biased in their decision-making on Board matters.

2. New requirements for specialty contractor board members.

This bill also proposes to restrict the specialty contractor board members from holding a general contractor's license. This restriction is unreasonable and unnecessary.

More and more, the Board is finding that project owners are requiring a general contractor's license to bid on specialty projects. Although a specialty contractor's license is sufficient for the project, many project owners seem to want a general contractor on the project. In response to this, many specialty contractors have obtained or are in the process of obtaining their own general contractor's licenses to bid for specialty projects, even though their primary work is in a specialty classification. Because many specialty contractors have other types of contractor's licenses, including general contractor's licenses, it is unreasonable to require specialty contractor board members to have only a specialty contractor's license.

Furthermore, there is no proof that a specialty contractor board member who also holds a general contractor's license has been biased in favor of general contractors or has harmed the public. All board members, regardless of the types of contractor's licenses they hold, are committed to protecting the public and have not evidenced any bias towards either specialty or general contractors. Board members are neutral in their decision-making because they wear their "consumer hats" during the meetings. Thus, this proposed amendment is unnecessary.

3. Requirements for public board members.

In addition to the above changes, this bill also prohibits public members from having any family member who is a licensee and having any financial interest in the business of any licensee of the Board. The purpose of this amendment is unclear and seems excessive in light of the conflict of interest provisions of the State's Ethics Code in Hawaii Revised Statutes ("HRS") chapter 84. For example, it is a conflict of interest if a board member takes official action that directly affects a business or undertaking in which the board member, the board member's spouse, or board member's dependent child has a financial interest. The proposed language includes persons in the term "any family member," which greatly exceed those addressed by the Ethics Code. For this reason, the language is unwarranted.

4. Specifying the duty of the Board and reference to the definitions of the various contractor classifications.

The new proposed subsections (e) and (f) are not necessary because HRS section 444-4 and Hawaii Administrative Rules section 16-77-2 set forth the primary

intent of the Board as protecting the public, health, safety, and general welfare of the public. Further, HRS chapter 444 defines contractor license classifications.

Thank you for the opportunity to testify in strong opposition to H.B. 1618.

# IRON WORKERS STABILIZATION FUND

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January 30, 2018

Takashi Ohno, Chair  
Interstate Commerce Committee  
House of Representative  
Honolulu, Hawaii 96813

Re: HB1618, Relating to the Contractors License Board  
Hearing Date – January 31, 2018, 9:00am

Dear Chair Ohno and Committee Members:

Presently, the Contractors License Board is made up of thirteen members, and broken down as follows:

- Five general engineering or general building contractors.
- Five specialty contractors.
- Three non-contractors.

At first, it may appear that this 13-member board is balanced and would represent and protect the interests of the public which is the cornerstone of HRS Chapter 444, relating to the Contractors License Board. However, in close analysis, the present 13-member board does not provide the protection to the general public as envisioned by the legislature when HRS 444 was initially formulated in 1957 as Act 305.

In practice, in more cases than not, the specialty contractors who sit on the board also possess general engineering or general building contractors licenses. This being the case, it would only be logical for these specialty contractors who sit on the board to exercise their powers as general contractors rather than specialty contractors on issues arising before the board. As such, we believe that those who are appointed should be only specialty contractors.

As also envisioned by HRS Chapter 444, the three non-contractors are supposed to represent and protect the general public in terms of public safety. That is why we believe that the non-contractors should have no affiliations with any construction firm. For example, one member of the non-contractor could be from AARP so they can have a voice to protect their membership.

We believe it is about time for the Contractors License Board to be equitably constituted to truly protect the general public in terms of public safety.

# ***SAH - Subcontractors Association of Hawaii***

***1188 Bishop St., Ste. 1003\*\*Honolulu, Hawaii 96813-2938***

***Phone: (808) 537-5619 ✦ Fax: (808) 533-2739***

January 31, 2018

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

Presented By: Tim Lyons, President

Subject: H.B. 1618 – RELATNG TO THE CONTRACTORS LICENSE BOARD.

Chair Ohno and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. The SAH represents the following nine separate and distinct subcontracting associations and we do not support this bill.

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

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

We are perhaps most concerned with the proposed new language in Section 444-3(b)(1)(B) which specifies that the five (5) specialty contractors may not hold general engineering or general contractors licenses.

It is a fact that many subcontractors or specialty contractor licensees also hold "B" general building contractor's licenses for the convenience of being able to bid on jobs which involve a variety of trades or different license disciplines.

As an example, a specialty contractor may primarily do business in one particular field however a proposed job calls for not only work in that field but additionally work in three (3) or four (4) other fields. If the specialty contractor happens to hold a general contractors license, he can bid as a general contractor, list himself as the specialty contractor doing that work and also list other subcontractors as doing the other required specialty work. In this manner he is able to get the job. Without that "B" license he is subject to a whole different set of marketing strategies. We see no problem with that particular way of bidding and in fact many subcontractors have obtained their general contractors license for this very reason however again, they primarily act as subcontractors.

To disqualify them merely because they happen to hold a general contractors license seems to us discriminatory particularly in light of the fact that they act 90% or 95% of the time as specialty contractors.

Based on that we cannot support this bill as written.

Thank you.

1065 Ahua Street  
Honolulu, HI 96819

Phone: 808-833-1681 FAX: 839-4167

Email: [info@gcahawaii.org](mailto:info@gcahawaii.org)

Website: [www.gcahawaii.org](http://www.gcahawaii.org)

**LATE**



**GCA of Hawaii**

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

January 31, 2018

TO: HONORABLE TAKASHI OHNO, CHAIR HONORABLE ISAAC CHOY, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON INTRASTATE COMMERCE

SUBJECT: **OPPOSITION TO S.B. 1618, RELATING TO CONTRACTORS LICENSE BOARD.** Amends the composition of and sets residency requirements for members of the Contractors License Board (Board). Specifies that the protection of the public shall be of the highest priority of the Board in the exercise of the Board's licensing, regulatory, and disciplinary functions.  
HEARING

DATE: January 31, 2018

TIME: 9:00 a.m.

PLACE: Conference Room 429

Dear Chair Ohno, Vice Chair Choy and Committee Members,

The General Contractors Association (GCA) is an organization comprised of over 500 general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. 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.

**GCA is in opposition** to H.B. 1618, Relating to Contractors License Board (Board) because it proposes to amend the members of the Board and does not provide any rational reasons as to why such change is necessary. The Contractors License Board is a longstanding and well-respected board that has been in place since 1957 and it works diligently on various issues affecting the construction industry.

H.B. 1618 proposes to require that members be domiciled as state residents for not less than five years, have at least ten years of contracting experience, and places restrictions on the public member, among other amendments. The Board is established under Chapter 444, Hawaii Revised Statute (HRS) and are responsible, among other things, to grant licenses to contractors, adopt and amend rules affecting construction contractors, suspend or revoke licenses, educate, ensure administration of testing, order summary suspension of licensees, and issue informal nonbinding interpretations of inquiries.

The current make up of the Board includes a total of thirteen members, including general contractors (5), specialty contractors (5) and public (3). The composition of the Board is required under the statute and has worked well with a balanced composition from each island represented. The various viewpoints and experience of the board members invite an even evaluation of each application and licensing inquiry. The Board must assess

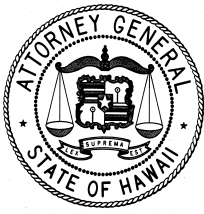


every license application and insure that the applicant has the education, credibility, proper work experience, and background to provide the work in a safe and workman like manner if granted a license. The GCA believes that the current balance of general contractors, subcontractors and public on the Board is important because they have the background and expertise to determine if a candidate for a particular license is qualified. The current composition of the public members of the Board can assist in evaluating each license applicant's education and work experience and insures that the views and interests of the general public are adequately protected.

The section of the bill that proposes to require a board member to be domiciled at least five years before appointment and have contracting experience for at least ten years (current statute requires five years) is without merit. Any applicant for a contractor's license is required to have at least four years of supervisory experience in the particular field in which one is applying, thereafter if a licensee was interested in serving on the Board he or she would require at least five years of contracting experience. Therefore, one serving on the licensing board would have sufficient experience in the business of construction before even being considered as a Board nominee.

Furthermore, the Senate's advise and consent process allows proper vetting and discussion about a nominee's qualifications and abilities. If a member of the public had a concern with a nominee to the Board, it would have ample opportunity to raise those issues at an Advise and Consent public hearing or by speaking directly with the members of the Hawaii State Senate. The administrative rules in section 16-77-2, HAR recognizes the importance and the role of the Board which is to protect public health and safety, therefore the suggestive language regarding highest priority are unnecessary.

**The GCA urges the committee to retain the current statute for appointing members to the Contractors License Board and request deferral of H.B 1618** and cautions against any dilution of the membership of the Board. Thank you for this opportunity to present our views on this very important measure.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-NINTH LEGISLATURE, 2018**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 1618, RELATING TO THE CONTRACTORS LICENSE BOARD.

**BEFORE THE:**

HOUSE COMMITTEE ON INTRASTATE COMMERCE

**DATE:** Wednesday, January 31, 2018      **TIME:** 9:00 a.m.

**LOCATION:** State Capitol, Room 429

**TESTIFIER(S):** Russell A. Suzuki, First Deputy Attorney General, or  
Krishna F. Jayaram, Deputy Attorney General

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Chair Ohno and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

The purpose of this bill is to amend the composition of, and set the durational residency requirements for, members of the Contractors License Board.

The bill proposes to amend section 444-3(a), Hawaii Revised Statutes (HRS), to add the requirement that all members of the Contractors License Board “shall have been a resident of and domiciled in the State for no fewer than five years preceding the member’s appointment” (page 1, lines 5-7, of the bill). This requirement would apply to the ten contractor members and the three public members of the board.

State laws establishing durational residency requirements as a qualification of candidates for public office are vulnerable to objections based on principles of constitutional law. A challenge to the five-year residency requirement would be based on the equal protection of laws clause of the fourteenth amendment to the United States Constitution.

The threshold issue is whether the durational residency requirement infringes upon fundamental rights. If it does, a compelling state interest has to exist for the five-year requirement. If it does not, a less stringent standard examines whether there is a reasonable basis for the five-year requirement. The courts have taken varying positions on this threshold issue.

The court in Hayes v. Gill, in reviewing a three-year residency requirement for legislators, applied a reasonable basis test and found that residency in some measure assures familiarity with constituents and their needs. Hayes v. Gill, 52 Haw. 251, 258–59, 473 P.2d 872, 877 (1970). On the other hand, the court in Nehring v. Ariyoshi, required a compelling state interest in striking down a one-year residency requirement for public employment. Nehring v. Ariyoshi, 443 F. Supp. 228, 237 (D. Haw. 1977). With respect to this bill, the residency requirement applies to a volunteer position on the Contractors License Board and it is not clear what the appropriate test would be.

Generally speaking, the length of the durational residency requirement is critical inasmuch as it has to be justified – the lengthier the requirement, the more challenging it can be to articulate, under either test, why it is necessary. We would also note that section 78-1(a), HRS, provides that all elective officers have a residency requirement of three years and section 78-1(b), HRS, provides that appointive officers employed as department heads, or employed as deputies and assistants to such department heads, have a residency requirement of one year. Regardless of the constitutional standard, it is unclear why appointees to this particular board have a substantially longer residency requirement than either department heads or elected officers, or even why a residency requirement is needed at all. If this bill moves forward, we recommend considering a shorter residency requirement (or deleting it altogether) and adding a justification as to why a residency requirement is needed.

Thank you for the opportunity to testify.



**LATE**  
**LATE**

**Testimony to the Committee on Intrastate Commerce  
Wednesday, January 31, 2018  
9:00 am  
State Capitol, Room 429**

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HAWAIIAN DREDGING  
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**ADDRESS:**  
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P 808.847.4666

**RE: HB 1618 – Relating to the Contractors License Board**

Chair Ohno, Vice-Chair Choy, & members of the Committee:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii is opposed to HB 1618, which would amend the composition of and residency requirements for the Contractors' License Board.

This bill sets forth many new restrictions on being able to serve on the Contractors' License Board. The Board increasingly deals with complex scope of work questions that require the expertise and input from the people who are most familiar with the construction industry: the contractor Board members. This expertise is essential in order to conduct Board business. Putting more and more restrictions on who is able to serve will only dilute this pool of available industry knowledge, which does not serve the industry or the public. We believe that the requirements currently in the law are sufficient.

Thank for the opportunity to share our views on this matter.

**LATE**

**LATE**

Testimony of  
Christopher Delaunay, Government Relations Manager  
Pacific Resource Partnership

House Committee on Intrastate Commerce  
Representative Takashi Ohno, Chair  
Representative Isaac W. Choy, Vice Chair

Wednesday, January 31, 2018  
9:00 A.M.  
State Capitol – Room 429

Aloha Chair Ohno, Vice Chair Choy, and members of the Committee:

Thank you for the opportunity submit written testimony on HB 1618, which amends the composition of and sets residency requirements for members of the Contractors License Board.

Pacific Resource Partnership **strongly opposes** this measure for the following reasons:

1. Proposed 10-year requirement is unnecessary

HB 1618 proposes to amend §444-3, HRS by requiring Contractor’s Licensing Board (CLB) members to have actively engaged in the contracting business for a period of no fewer than 10 years proceeding the member’s appointment. This proposed change from 5 years to 10 years seems unnecessary since existing law requires individuals to have at least 9 years of relevant experience prior to becoming a CLB member. For instance, an individual is already required to obtain 4 years of supervisory experience in the field prior to qualifying for a contractor’s license (§16-77-18, HAR). In addition to these 4 years of supervisory experience, an individual must obtain 5 years of contracting experience prior to becoming a member of the CLB (§444-3, HRS).

2. Proposed requirements for specialty contractor CLB members are unwarranted

HB 1618 proposes to restrict the specialty contractor CLB members from holding a general contractor’s license. A general contractor with a specialty license deserves to serve on the CLB as a specialty contractor member, especially since §16-77-32, HAR states that licensees who hold the “A” general engineering and/or the “B” general building contractor classifications also hold specific specialty classifications. This proposed amendment ignores that fact that the “A” general and “B” general contractors hold specialty classifications by law.



**(Continued From Page 1)**

3. Proposed requirements for public CLB members are unnecessary

HB 1618 prohibits public members from having any family member who is a licensee and having any financial interest in the business of any licensee of the CLB. **The existing selection process and state ethic code is sufficient to ensure that CLB members will conduct their business in an ethical manner.** Prior to becoming a CLB member, individuals must be nominated and, by and with the advice and consent of the senate, appointed by the governor. This process allows the governor, the senate, and the public to weigh in on the character, background, and on any affiliations that each individual may have prior to becoming a member of the CLB. Moreover, when an individual becomes a CLB member, they must abide by the state ethics code, which requires a member to recuse him or herself from taking any official action directly affecting a business or other undertaking in which the member has a “substantial financial interest.” (§84-14, HRS)

Thank you for allowing us to voice our opinion and we respectfully request that this bill be held by the Committee.

About PRP

*Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii’s top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.*



in the licenses of the joint venture or partnership being automatically forfeited without a hearing.

(e) The license of a joint venture or partnership shall be automatically forfeited without a hearing if the license of a member or partner is suspended, revoked, terminated, withdrawn, forfeited, or refused to be renewed.

(f) Upon dissolution or forfeiture, the joint venture or partnership shall be prohibited from engaging in contracting and shall not bid upon or enter into new contracts. [Eff 8/14/80; am and ren §16-77-13, 6/22/81; am and comp 11/7/83; am and comp 4/14/88; am and comp 12/9/02; comp 4/15/04] (Auth: HRS §444-4) (Imp: HRS §§444-2, 444-11, 444-11.1, 444-12)

§16-77-14 Posting of information in license application. Whenever an applicant has filed a complete application, the name and address of the applicant, and the names and addresses and official capacity of the applicant's RME(s), officers, members, managers, and partners shall be publicly posted, as part of the board's investigation under section 444-16, HRS, for not less than fourteen days. No license shall be issued until the expiration of the posting period. [Eff 8/14/80; am and ren §16-77-14, 6/22/81; am and comp 11/7/83; comp 4/14/88; am and comp 12/9/02; comp 4/15/04] (Auth: §444-16) (Imp: HRS §§444-10, 444-14, 444-16)

§16-77-15 Action on applications. The board shall act upon the license application within one hundred and twenty days after the board's applications committee has determined that the application is proper. [Eff and comp 4/14/88; am and comp 12/9/02; comp 4/15/04] (Auth: HRS §§444-4, 444-16) (Imp: HRS §§444-9, 444-16)

### SUBCHAPTER 3

#### LICENSE QUALIFICATIONS

§16-77-18 Experience requirement. (a) Every individual applicant or RME shall have had, within the past ten years immediately preceding the filing of an application, not less than four years of supervisory experience as a foreman, supervising employee, or contractor in the particular classification in which the applicant intends to engage as a contractor.

(b) Self-employed or unlicensed experience may be acceptable experience in the discretion of the board.

unforeseen hardship. The application shall include supporting documentation detailing the hardship, such as:

- (A) Evidence of receipt of unemployment compensation;
- (B) Tax returns;
- (C) Medical records;
- (D) Bank statements;
- (E) Divorce decrees ordering sale of property;
- (F) Mortgage default letters; or
- (G) Bankruptcy filings.

The board shall communicate its determination to the owner in writing within ninety days of receiving a completed application under this subsection.

(d) Any owner or lessee of property found to have violated this section shall not be permitted to engage in any activities pursuant to this section or to register under section 444-9.1 for a period of three years. There is a rebuttable presumption that an owner or lessee has violated this section, when the owner or lessee obtains an exemption from the licensing requirements of section 444-9 more than once in two years.

(e) For the purposes of this section, "completion" means the date of final inspection approval by the county.

(f) An owner or lessee exempted under this section shall not be eligible to recover from the contractors recovery fund.

(g) This section shall not apply to agricultural buildings, structures, or appurtenances thereto that do not require a building permit or are exempt from the building code.

**§444-3 Contractors license board.** (a) There shall be a contractors license board of thirteen members.

(b) Of the board members:

(1) Ten shall be contractors who have been actively engaged in the contracting business for a period of not less than five years preceding the date of their appointment;

(2) Five shall be general engineering or building contractors, five shall be specialty contractors, and three shall be noncontractors. No member shall receive any compensation for the member's services, but each shall be reimbursed for necessary traveling expenses incurred in the performance of duties.

(c) Each county shall be represented on the board.

(d) No one, except the three noncontractor members, shall be eligible for appointment who does not at the time of the member's appointment hold a valid and unexpired license to operate as a contractor.

**§444-4 Powers and duties of board.** In addition to any other powers and duties authorized by law, the board shall:

(1) Grant licenses, including conditional licenses, to contractors pursuant to this chapter and rules;

(2) Adopt, amend, or repeal such rules as the board may deem proper fully to effectuate this chapter and carry out the purpose thereof, which is the protection of the general



SUBCHAPTER 6

SCOPE OF CLASSIFICATIONS

§16-77-32 General engineering, general building, and specialty contractors.

(a) Licensees who hold the "A" general engineering contractor classification shall automatically hold the following specialty classifications without further examination or paying additional fees:

- (1) C-3 asphalt paving and surfacing;
- (2) C-9 cesspool;
- (3) C-10 scaffolding;
- (4) C-17 excavating, grading, and trenching;
- (5) C-24 building moving and wrecking;
- (6) C-31a cement concrete;
- (7) C-32 ornamental guardrail, and fencing;
- (8) C-35 pile driving, pile and caisson drilling, and foundation;
- (9) C-37a sewer and drain line;
- (10) C-37b irrigation and lawn sprinkler systems;
- (11) C-38 post tensioning;
- (12) C-43 sewer, sewage disposal, drain, and pipe laying;
- (13) C-49 swimming pool;
- (14) C-56 welding;
- (15) C-57a pumps installation;
- (16) C-57b injection well;
- (17) C-61 solar energy systems.

(b) The "A" general engineering contractor may also install poles in all new pole lines and replace poles, provided that the installation of the ground wires, insulators, and conductors is performed by a contractor holding the C-62 pole and line classification. The "A" general engineering contractor may also install duct lines, provided that the installation of conductors is performed by a contractor holding the C-13 electrical classification.

(c) Licensees who hold the "B" general building contractor classification shall automatically hold the following specialty classifications without further examination or paying additional fees:

- (1) C-5 cabinet, millwork, and carpentry remodeling and repairs;
- (2) C-6 carpentry framing;
- (3) C-10 scaffolding;
- (4) C-12 drywall;
- (5) C-24 building moving and wrecking;
- (6) C-25 institutional and commercial equipment;
- (7) C-31a cement concrete;

- (8) C-32a wood and vinyl fencing;
- (9) C-42a aluminum and other metal shingles;
- (10) C-42b wood shingles and wood shakes.

(d) Licensees who hold a specialty contractors license shall automatically hold the subclassifications of the licensee's particular specialty without examination or paying additional fees. [Eff 8/14/80; am and ren §16-77-32, 6/22/81; am and comp 11/7/83; am and comp 4/14/88; am and comp 12/9/02; comp 4/15/04] (Auth: HRS §§444-4, 444-8) (Imp: HRS §§444-7, 444-8, 444-9, 444-10)

§16-77-33 Limitation of classifications. (a) A licensee classified as an "A" general engineering contractor or as a "B" general building contractor shall not act, assume to act, or advertise as a specialty contractor except in the specialty classifications which the licensee holds.

(b) A general building contractor license does not entitle the holder to undertake a contract unless it requires more than two unrelated building trades or crafts or unless the general building contractor holds the specialty license to undertake the contract. Work performed which is incidental and supplemental to one contractor classification shall not be considered as unrelated trades or crafts.

(c) A licensee classified as a specialty contractor shall not act, assume to act, or advertise as a contractor in any classification other than those which the licensee holds.

(d) Any licensee who acts, assumes to act, or advertises in any classification other than for which the licensee is duly licensed under this chapter shall be construed to be engaged in unlicensed activity. [Eff 8/14/80; am and ren §16-77-33, 6/22/81; am and comp 11/7/83; am and comp 4/14/88; comp 12/9/02; comp 4/15/04] (Auth: HRS §§444-4, 444-8) (Imp: HRS §§444-7, 444-8, 444-9, 444-9.2, 444-10)

§16-77-34 Work incidental and supplemental. "Incidental and supplemental" is defined as work in other trades directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license. [Eff 8/14/80; am and ren §16-77-34, 6/22/81; am and comp 11/7/83; am and comp 4/14/88; am and comp 12/9/02; comp 4/15/04] (Auth: HRS §§444-4, 444-7) (Imp: HRS §§444-7, 444-8, 444-9)

§16-77-35 Additional classifications. (a) A licensee may obtain additional classifications by filing an application, paying the appropriate fees, meeting the

**§84-14 Conflicts of interests.** (a) No employee shall take any official action directly affecting:

- (1) A business or other undertaking in which the employee has a substantial financial interest; or
- (2) A private undertaking in which the employee is engaged as legal counsel, advisor, consultant, representative, or other agency capacity.

A department head who is unable to disqualify the department head's self on any matter described in paragraphs (1) and (2) will not be in violation of this subsection if the department head has complied with the disclosure requirements of section 84-17.

A person whose position on a board, commission, or committee is mandated by statute, resolution, or executive order to have particular qualifications shall only be prohibited from taking official action that directly and specifically affects a business or undertaking in which the person has a substantial financial interest; provided that the substantial financial interest is related to the member's particular qualifications.

(b) No employee shall acquire financial interests in any business or other undertaking which the employee has reason to believe may be directly involved in official action to be taken by the employee.

(c) No legislator or employee shall assist any person or business or act in a representative capacity before any state or county agency for a contingent compensation in any transaction involving the State.

(d) No legislator or employee shall assist any person or business or act in a representative capacity for a fee or other compensation to secure passage of a bill or to obtain a contract, claim, or other transaction or proposal in which the legislator or employee has participated or will participate as a legislator or employee, nor shall the legislator or employee assist any person or business or act in a representative capacity for a fee or other compensation on such bill, contract, claim, or other transaction or proposal before the legislature or agency of which the legislator or employee is an employee or legislator.

(e) No employee shall assist any person or business or act in a representative capacity before a state or county agency for a fee or other consideration on any bill, contract, claim, or other transaction or proposal involving official action by the agency if the employee has official authority over that state or county agency unless the employee has complied with the disclosure requirements of section 84-17.

(f) Subsections (a), (b), and (d) shall not apply to a task force member or the designee or representative of that task force member whose service as a task force member would not otherwise cause that member, designee, or representative to be considered an employee, if the task force member or the designee or representative of that task force member complies with the disclosure requirements