

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

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

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

February 3, 2017

Testimony To: House Committee on Water & Land  
Representative Ryan I. Yamane

Presented By: Tim Lyons, President

Subject: H.B. 732 - RELATING TO LIENS.

Chair Yamane 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 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

We generally support this bill but we do not claim to totally understand all the ramifications. We do know however, that subcontractors generally do not file liens because they are hardly ever paid within the forty-five (45) day lien period. Therefore, the Mechanics Lien statute which this legislature enacted in order to be sure that contractors, both prime and subcontractors, had measure of security in order to get paid has been rendered "useless" by the current payment practices of owners and general contractors to subcontractors. This bill will extend the time period to ninety (90).

A quick survey by us indicates that most other states have a period longer than forty-five (45) days. This ranges anywhere from sixty (60) days from California to one hundred eighty (180) days like Missouri. Many of them fall within the ninety (90) day period. The only negative that we can think of with this bill is that some contracts of general contractors say that the subcontractors cannot get paid until the lien period expires. So instead of getting paid within forty-five (45) days, they would get paid within ninety (90) days. That however may not be a problem since they are not paid within the forty-five (45) day period anyway. Based on that as we further research this bill, we would recommend your adoption so that this bill can move forward noting that it has a least one more stop to make.

Based on the above we recommend your Committee's adoption.

Thank you.