

Honolulu, Hawaii

FEB 14 2019

RE: S.B. No. 423  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 423 entitled:

"A BILL FOR AN ACT RELATING TO THE CONTRACTORS LICENSE BOARD,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that a specialty contractor, acting as a subcontractor, is not prohibited from taking and executing a construction contract involving two or more crafts of trades if the performance of the work is incidental and supplemental;
- (2) Prohibit incidental and supplemental work on any project requiring the seal or stamp of a professional engineer licensed to perform structural engineering;
- (3) Define "professional engineer" and "structural engineering"; and
- (4) Specify certain specialty contractor subclassifications that shall not be considered incidental and supplemental work.



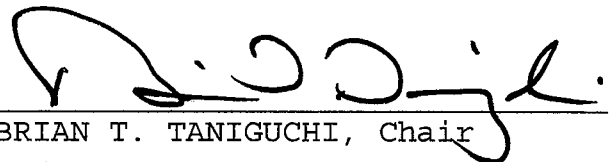
Your Committee received testimony in support of this measure from the Ironworkers Stabilization Fund. Your Committee received testimony in opposition to this measure from the Hawaii Laborers Union Local 368. Your Committee received comments on this measure from the Department of Accounting and General Services and the Contractors License Board.

Your Committee finds that under existing law, a specialty contractor may take or execute a contract involving the use of two or more crafts or trades for work other than that in which the contractor is licensed, if that work is incidental and supplemental work to the performance of work in the craft that the specialty contractor is licensed. However, there should be a limitation on incidental and supplement work that a specialty contractor may perform since that work is outside of their licensed specialty area. This measure seeks to address those concerns.

Your Committee has amended this measure by deleting its contents and inserting language specifically prohibiting incidental or supplemental work outside of a specialty contractor's licensure on any work that requires the seal or stamp of a professional engineer licensed to perform structural engineering pursuant to section 464-2, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 423, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Judiciary.


Respectfully submitted on  
behalf of the members of the  
Committee on Labor, Culture and  
the Arts,

  
BRIAN T. TANIGUCHI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor, Culture and the Arts**  
**LCA**

Bill / Resolution No.:* <b>SB 423</b>	Committee Referral: <b>LCA, CPH/JDC</b>	Date: <b>2-5-19</b>		
<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
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
GABBARD, Mike	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes