

Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 2315
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2315, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING TRUST FUNDS,"

begs leave to report as follows:

The purpose of this measure is to grant the Contractors License Board (Board) and Real Estate Commission (Commission) authority to adjust, reduce, suspend, or cease collection of recovery fund and education fund fees to maintain a reasonable relation between the fees generated and the cost of services rendered by the funds.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Real Estate Commission, Contractors License Board, Community Associations Institute, and Associa.

Your Committee finds that some funds administered by the Board and Commission that were used for compensating certain injuries or providing education had high balances compared to the amount of services actually being provided from those funds. In reaction to this, the Legislature enacted Act 29, Session Laws of Hawaii 2019, placing caps on those funds and requiring that the Board and Commission cease accepting fees for deposit into those



funds. As an alternative, this measure will provide the Board and Commission with flexibility to adjust the fees to maintain a balance sufficient to cover the costs of services rendered, rather than continuously charging fees and accumulating monies in excess of the amounts needed to cover the costs of services rendered.

Your Committee has amended this measure by:

- (1) Specifying criteria for the Board and Commission to consider when determining whether fee adjustments are appropriate to maintain a reasonable relation between the fees generated and the cost of services rendered by the funds; and
- (2) Deleting the repeal and reenactment provision of Act 29, Session Laws of Hawaii 2019.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2315, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2315, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROY M. TAKUMI, Chair



State of Hawaii
House of Representatives **HSCR 521-20**
The THIRTIETH Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2315 HD1	Committee Referral: IAC, CPC, FEN	Date: 2/10/20		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au	✓			
5. CABANILLA ARAKAWA, Rida	✓			
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.	✓			
8. KONG, Sam Satoru	✓			
9. MIZUNO, John M.	✓			
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	11	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) – HMSO				