

Honolulu, Hawaii

MAY 13 2020

RE: H.B. No. 2315
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 2315, H.D. 3, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow the contractors license board and real estate commission 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;
- (2) Cap the contractors recovery fund, contractors education fund, real estate recovery fund, real estate education fund, and condominium education trust fund at amounts determined biannually by the contractors license board or real estate commission.

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



Your Committee finds that Act 29, Session Laws of Hawaii 2019 (Act 29), established or amended certain special fund ceilings and provided for the suspension or refund of fees if the ceiling was exceeded. Act 29 had a partially delayed implementation date to give the Department of Commerce and Consumer Affairs time to confer with the Contractors License Board (Board) and the Real Estate Commission (Commission) to determine reasonable and appropriate recovery and education trust fund balances. This measure provides authority to more effectively regulate trust fund balances, removes language that would have triggered expensive protocols that would be challenging to implement, specifies criteria for the Board and Commission to consider when determining whether fee adjustments are appropriate, and provides guidelines to maintain a reasonable relation between the fees generated and the cost of services rendered by the funds.

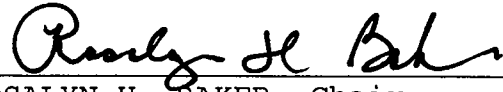
Your Committee has amended this measure by:

- (1) Clarifying that the Commission and the Board shall determine appropriate fund balances biennially, rather than biannually;
- (2) Inserting an effective date of July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2315, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2315, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.



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




ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2315 HD3	CPH, WAM	3-13-2020		
<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
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
NISHIHARA, Clarence K.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	6			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes