

Honolulu, Hawaii  
JUN 25 , 2020

RE: S.B. No. 2871  
S.D. 2  
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 S.B. No. 2871, S.D. 2, 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) the authority to adjust recovery fund and education fund fees paid to the Board and Commission so as 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, and Contractors License Board.

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, Act 29, Session Laws of Hawaii 2019, placed caps on those funds and required that the Board and Commission cease accepting fees for deposit into those funds. As an alternative,



this measure provides 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) Clarifying that the Board and Commission are to determine the caps for their respective funds on a biennial, rather than biannual, basis;
- (2) Changing its effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 S.B. No. 2871, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2871, S.D. 2, H.D. 2.

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



---

ROY M. TAKUMI, Chair



