

STAND. COM. REP. NO.

2789

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2871
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 S.B. No. 2871 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 allow the
Contractor License Board and the Real Estate Commission to adjust,
reduce, suspend, or cease collection of recovery fund and
education fund fees when fund levels are adequate to carry out the
statutory mandates for which the funds were created.

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

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 partial delayed implementation
date, which provided the Department of Commerce and Consumer
Affairs time to confer with the Contractors License Board and Real
Estate Commission. Your Committee notes the importance of
maintaining reasonable and appropriate recovery and education
trust fund balances; however, your Committee finds that it is

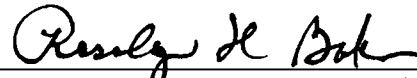


inappropriate to authorize the Contractors License Board (Board) or the Real Estate Commission (Commission) to develop policies to refund public monies in excess of the ceilings established by law and to refund such monies to licensees that paid into the fund. In place of fund ceilings and developing policies to refund public monies, this measure grants the Board and the Commission the authority to make findings that a fee adjustment is appropriate and to make adjustments to maintain adequate balances in the fund. The measure provides the necessary flexibility to timely regulate the respective funds to ensure that consumers are not being required to overpay for the services of the Board and Commission in regulating the construction and real estate industries.

Your Committee has amended this measure by 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 S.B. No. 2871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2871, 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



