



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310  
P.O. BOX 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Consumer Protection & Commerce  
Monday, February 10, 2020  
2:00 p.m.  
State Capitol, Conference Room 329**

**On the following measure:  
H.B. 2315, H.D.1, RELATING TO PROFESSIONAL  
AND VOCATIONAL LICENSING TRUST FUNDS**

Chair Takumi and Members of the Committee:

My name is Charlene Tamanaha, and I am the Licensing Administrator of the Department of Commerce and Consumer Affairs' (Department) Professional and Vocational Licensing Division. The Department supports this administration bill, which provides the Contractors License Board (Board) and the Real Estate Commission (Commission) with important new authority to more effectively regulate trust fund balances, as well as remove language that would have triggered expensive protocols that would be challenging to implement.

The Department recognizes the importance of maintaining reasonable and appropriate recovery and education trust fund balances, and it appreciates that Act 29, Session Laws of Hawaii 2019 (S.B. 812, S.D. 1, H.D. 2) has a partial delayed implementation date that gave the Department time to confer with the Board and the Commission and to draft the language contained in this measure.

The Department notes that the standing committee report by the House Committee on Intrastate Commerce adopts a calculation of “reasonable relation” that borrows heavily from the language of Act 29. The Department believes the report may create uncertainty as to the ability of the Board and Commission to exercise their oversight authority. The Department is available to assist in bringing clarity to this issue.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.

**Testimony of the Real Estate Commission**

**Before the  
House Committee on Consumer Protection & Commerce  
Monday, February 10, 2020  
2:00 p.m.  
State Capitol, Conference Room 329**

**On the following measure:  
H.B. 2315, H.D. 1, RELATING TO PROFESSIONAL  
AND VOCATIONAL LICENSING TRUST FUNDS**

Chair Takumi and Members of the Committee:

My name is Michael Pang, and I am the Chairperson of the Hawaii Real Estate Commission (Commission). The Commission supports this administration bill, which provides it with important new authority to more effectively regulate balances in the Real Estate Recovery Fund, the Real Estate Education Fund, and the Condominium Education Trust Fund, as well as remove language that would have triggered expensive protocols that would be challenging to implement.

The Commission notes that the standing committee report by the House Committee on Intrastate Commerce adopts a calculation of “reasonable relation” that borrows heavily from the language of Act 29, Session Laws of Hawaii 2019. The Commission believes the report’s establishment of a fund ceiling may create uncertainty as to the ability of the Commission to exercise its oversight authority. Accordingly, the Commission requests clarification that the Real Estate Recovery Fund, the Real Estate Education Fund, and the Condominium Education Trust Fund have no set fund ceilings.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.

## **Testimony of the Contractors License Board**

**Before the  
House Committee on Consumer Protection & Commerce  
Monday, February 10, 2020  
2:00 p.m.  
State Capitol, Conference Room 329**

**On the following measure:  
H.B. 2315, H.D. 1, RELATING TO PROFESSIONAL  
AND VOCATIONAL LICENSING TRUST FUNDS**

Chair Takumi and Members of the Committee:

My name is Neal Arita, and I am the Legislative Committee Chairperson of the Contractors License Board (Board). The Board supports this administration bill, which provides it with important new authority to more effectively regulate balances in the Contractors Recovery Fund and Contractors Education Fund, as well as remove language that would have triggered expensive protocols that would be challenging to implement.

For the Committee's information, administration bill H.B. 2316 increases the monetary amount an injured homeowner may recover from the Contractors Recovery Fund. The Board will be evaluating the increased recovery amount's effect on this fund. In addition, the Board will be using the Contractors Education Fund to fund public service announcements that bring consumer awareness to resources that are available to verify, among other things, contractor license status and complaints history. Further, the Board's Investigative Committee has been exploring different options to equip consumers with knowledge to make sound decisions when hiring contractors; these projects will likewise be funded by the Contractors Education Fund. For these reasons, the bill repeals page 3, lines 1 to 9 and page 4, lines 5 to 14, to remove fund ceilings for the Contractors Recovery Fund and Contractors Education Fund.

The Board notes that the standing committee report by the House Committee on Intrastate Commerce adopts a calculation of "reasonable relation" that borrows heavily from the language of Act 29, Session Laws of Hawaii 2019. The Board believes the report's establishment of a fund ceiling may create uncertainty as to the ability of the Board to exercise its oversight authority. Accordingly, the Board requests clarification

that the Contractors Recovery Fund and Contractors Education Fund have no set fund ceilings.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.



February 8, 2020

VIA WEB TRANSMITTAL

Hearing Date: Monday, February 10, 2020

Time: 2:00 p.m.

Place: Conference Room 329

Committee on Consumer Protection & Commerce  
House of Representatives, the 30th Legislature  
Regular Session of 2020

Re: Community Associations Institute's **Testimony in support of HB 2315**

Dear Chair Takumi, Vice Chair Ichiyama and Committee members:

I am a member of the Hawaii Chapter of the Community Associations Institute Legislative Action Committee ("CAI"). We represent the condominium and community association industry and submit this testimony in support to HB 2315.

Our support is based on the need to address the recent imbalance in the Condominium Education Trust Fund ("Fund") and to provide the Commission with the necessary flexibility to timely regulate the Fund to ensure that consumers are not over paying for the services the fees are meant to address.

Based on the foregoing, we respectfully submit that HB 2315 should be passed out of Committee. Thank you for your time and consideration.

Sincerely yours,

/s/ R. Laree McGuire

R Laree McGuire

CAI LAC Hawaii

**HB-2315-HD-1**

Submitted on: 2/8/2020 11:00:07 AM

Testimony for CPC on 2/10/2020 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Emery	Associa	Support	No

Comments:

Makes perfect business sense.