



DAVID Y. IGE
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

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Wednesday, February 19, 2020
2:00 p.m.
State Capitol, Conference Room 308**

**On the following measure:
H.B. 2315, H.D. 2, RELATING TO PROFESSIONAL
AND VOCATIONAL LICENSING TRUST FUNDS**

Chair Luke 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 appreciates and concurs with the House Committee on Consumer Protection and Commerce's specification of criteria for the Board and Commission to consider when determining whether fee adjustments are appropriate. This criteria will enable the Board and Commission to execute their fiduciary responsibility to maintain a reasonable relation between the fees generated and the cost of services rendered by the funds.

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 Finance
Wednesday, February 19, 2020
2:00 p.m.
State Capitol, Conference Room 308**

**On the following measure:
H.B. 2315, H.D. 2, RELATING TO PROFESSIONAL
AND VOCATIONAL LICENSING TRUST FUNDS**

Chair Luke 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 is 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 appreciates and concurs with H.D. 2's establishment of statutory criteria that the Board must consider when determining whether fee adjustments are appropriate, as this will help the Board maintain a reasonable relation between the funds generated and the cost of services rendered by the funds.

Testimony of Contractors License Board
H.B.2315, H.D. 2
Page 2 of 2

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 Finance
Wednesday, February 19, 2020
2:00 p.m.
State Capitol, Conference Room 308**

**On the following measure:
H.B. 2315, H.D. 2, RELATING TO PROFESSIONAL
AND VOCATIONAL LICENSING TRUST FUNDS**

Chair Luke 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 appreciates and concurs with H.D. 2's establishment of statutory criteria that the Commission must consider when determining whether fee adjustments are appropriate, as this will help the Commission maintain a reasonable relation between the funds generated and the cost of services rendered by the funds.

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

HB-2315-HD-2

Submitted on: 2/16/2020 12:51:41 PM

Testimony for FIN on 2/19/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Individual	Support	No

Comments:

The real estate trust fund is a valuable tool for the industry. If the commission determines the trust fund balance is adequate to support its purposes it should have the flexibility to adjust or stop contributions. This will not effect the state's budget.