



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
Wednesday, June 24, 2020
10:00 a.m.
State Capitol, Conference Room 325**

**On the following measure:
S.B. 2871, S.D. 2, H.D. 1, RELATING TO PROFESSIONAL
AND VOCATIONAL LICENSING TRUST FUNDS**

WRITTEN TESTIMONY ONLY

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 and requests amendments.

This measure will provide 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 concurs with H.D. 1's specification of criteria for the Board and Commission to consider when determining whether fee adjustments are appropriate, as it provides guidelines to maintain a reasonable relation between the fees generated and the cost of services rendered by the funds. However, the Department respectfully requests replacing "biannually" with "biennially" on page 5, line 16; page 13, line 18; and page 15, line 4 of the bill. This change would be consistent with the language in the bill's companion measure, H.B. 2315 H.D. 3, S.D. 1, and would allow the Board and Commission to adjust fees during the time of renewal, which occurs biennially (every two years) and not biannually (twice a year).

Lastly, the Department requests amending the July 1, 2050, effective date to: "This Act shall take effect upon its approval; provided that the amendments made by this Act shall take effect on July 1, 2020, and shall supersede any contrary amendments made by Act 29, Session Laws of Hawaii 2019."

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

Testimony of the Real Estate Commission

**Before the
House Committee on Consumer Protection and Commerce
Wednesday, June 24, 2020
10:00 a.m.
State Capitol, Conference Room 325**

**On the following measure:
S.B. 2871, S.D. 2, H.D. 1, RELATING TO PROFESSIONAL
AND VOCATIONAL LICENSING TRUST FUNDS**

WRITTEN TESTIMONY ONLY

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 and requests amendments.

This measure will provide the Commission 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 how H.D. 1 provides the Commission with more discretionary authority in maintaining a reasonable relation between the funds generated and the cost of services rendered by the funds. However, the Commission respectfully requests replacing “biannually” with “biennially” on page 13, line 18, and page 15, line 4 of the bill. This change would be consistent with the language in the bill’s companion measure, H.B. 2315 H.D. 3, S.D. 1, and would allow the Commission to adjust fees during the time of renewal, which occurs biennially (every two years) and not biannually (twice a year).

Lastly, the Commission requests amending the July 1, 2050, effective date to: “This Act shall take effect upon its approval; provided that the amendments made by this Act shall take effect on July 1, 2020, and shall supersede any contrary amendments made by Act 29, Session Laws of Hawaii 2019.”

Testimony of Real Estate Commission
S.B. 2871, S.D. 2, H.D. 1
Page 2 of 2

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

Testimony of the Contractors License Board

**Before the
House Committee on Consumer Protection & Commerce
Wednesday, June 24, 2020
10:00 a.m.
State Capitol, Conference Room 325**

**On the following measure:
S.B. 2871, S.D. 2, H.D. 1, RELATING TO PROFESSIONAL
AND VOCATIONAL LICENSING TRUST FUNDS**

WRITTEN TESTIMONY ONLY

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 and requests amendments.

This measure will provide the Board 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, 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. In addition, 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 4, lines 5 to 14, to remove the fund ceiling for the Contractors Education Fund.

The Board appreciates how H.D. 1 provides the Board with more discretionary authority in maintaining a reasonable relation between the funds generated and the cost of services rendered by the funds. However, the Board respectfully requests replacing "biannually" with "biennially" on page 5, line 16 of the bill. This change would be consistent with the language in the bill's companion measure, H.B. 2315 H.D. 3, S.D. 1,

and would allow the Board to adjust fees during the time of renewal, which occurs biennially (every two years) and not biannually (twice a year).

Lastly, the Board requests amending the July 1, 2050, effective date to: "This Act shall take effect upon its approval; provided that the amendments made by this Act shall take effect on July 1, 2020, and shall supersede any contrary amendments made by Act 29, Session Laws of Hawaii 2019."

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

SB-2871-HD-1

Submitted on: 6/22/2020 10:20:55 AM

Testimony for CPC on 6/24/2020 10:00:00 AM

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

Comments:

The fund has built large balances and the commission should be able to suspend fees when not necessary for the programs.