

Testimony of the Real Estate Commission

**Before the
House Committee on Finance
Monday, June 29, 2020
2:00 p.m.
State Capitol, Conference Room 329**

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

WRITTEN TESTIMONY ONLY

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.

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. In addition, the Commission appreciates how H.D. 2 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.

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
Monday, June 29, 2020
2:00 p.m.
State Capitol, Conference Room 329**

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

WRITTEN TESTIMONY ONLY

Chair Luke and Members of the Committee:

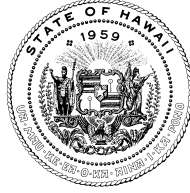
My name is Neal Arita, and I am the Legislative Committee Chairperson of the Contractors License Board (Board). The Board supports this administration bill.

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.

The Board appreciates how H.D. 2 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, as well as requiring the Board to determine the fund balances biennially.

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



DAVID Y. IGE
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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Monday, June 29, 2020
2:00 p.m.
State Capitol, Conference Room 329**

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

WRITTEN TESTIMONY ONLY

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.

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 concurs with H.D. 2's specification of criteria for the Board and Commission to consider when determining whether fee adjustments are appropriate biennially (every two years) at renewal. This criterion will help the Board and

Commission maintain a reasonable relation between the fees generated and the cost of services rendered by the funds.

During this period of uncertainty, this bill will give the Board and Commission the flexibility to adjust assessments of recovery fund and education fund fees so that fund balances are adequate to carry out the statutory mandates for which the funds were created. In light of current fund balances, the Board and Commission hope to use this new authority to suspend collection of some of these fees during the next renewal period. At the same time, the Board and Commission recognize their responsibilities as stewards of these funds and are mindful that the full impact of the COVID-19 pandemic on the real estate industry and building trades are still unclear and that defaults and breaches of contracts could trigger recovery fund claims. This bill will provide the Board and Commission with important tools to effectively evaluate the adequacy of their fund balances and to make adjustments consistent with that evaluation.

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



June 27, 2020

VIA WEB TRANSMITTAL

Hearing Date: Monday, June 29, 2020

Time: 2:00 p.m.

Place: Conference Room 329

Committee on Finance
The Senate, the Thirtieth Legislature
Regular Session of 2020

Re: Community Associations Institute's **Testimony in support of SB 2871, SD2, HD 2**

Dear Chair Luke, Vice Chair Cullen 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 SB 2871, SD 2, HD 2.

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 SB 2871, SD 2, HD 2 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