

STAND. COM. REP. NO.

1751

Honolulu, Hawaii

, 2021

MAR 24

RE: H.R. No. 120
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.R. No. 120 entitled:

"HOUSE RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A REVIEW REGARDING THE PERFORMANCE OF "INCIDENTAL AND SUPPLEMENTAL" CONTRACTING WORK,"

begs leave to report as follows:

The purpose of this measure is to request that the Legislative Reference Bureau conduct a study of the best practices regarding "incidental and supplemental" contracting work.

Your Committee received testimony in support of this measure from the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 625, A.F.L.-C.I.O. and Iron Workers Stabilization Fund. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii. Your Committee received comments on this measure from the Contractors License Board and Subcontractors Association of Hawaii.

Your Committee finds that state law allows a specialty contractor to take and execute a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which the specialty contractor is licensed, is incidental and supplemental to the performance of

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work in the craft or trade for which the specialty contractor is licensed. Your Committee further finds that the Hawaii Supreme Court has issued opinions that provided guidance in determining whether certain work is incidental and supplemental. Under existing state law, the Contractors License Board is tasked with making determinations on whether work is incidental and supplemental, which is to be consistent with the opinions of the Hawaii Supreme Court. Your Committee notes that an alternative body, rather than the Contractors License Board, may better determine without any inherent conflict of interest whether work is incidental and supplemental. This measure requests research to study other jurisdictions and their approaches for handling incidental and supplemental work.

Your Committee has amended this measure by:

- (1) Specifying that in conducting the study, the Legislative Reference Bureau is requested to obtain input from relevant national trade organizations, rather than the wide breadth of stakeholders;
- (2) Amending the title to read, "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF BEST PRACTICES REGARDING THE PERFORMANCE OF "INCIDENTAL AND SUPPLEMENTAL" CONTRACTING WORK."; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 120, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.R. No. 120, H.D. 1.



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Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,

Aaron Ling Johanson for
AARON LING JOHANSON, Chair



