

STAND. COM. REP. NO.

2811

Honolulu, Hawaii

**MAR 03 2022**

RE: S.B. No. 2709  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2709, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that a licensed specialty contractor may perform incidental and supplemental work in crafts or trades other than in which the specialty contractor is licensed; provided that, when measured by the cost and extent of work involved in executing the specialty contractor's work, the performance of the unlicensed work is substantially less than and only incidental and supplemental to the performance of the work in the craft for which the specialty contractor is licensed.

Your Committee received testimony in support of this measure from the Iron Workers Stabilization Fund. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Contractors License Board, and Subcontractors Association of Hawaii.

Your Committee finds that it is in the interest of public health and safety to prohibit specialty contractors from performing work for which they are not licensed. Your Committee

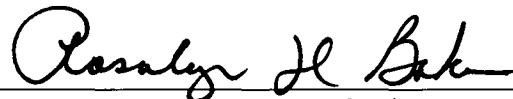


notes that general contractors are already prohibited from using the "incidental and supplemental" exception to take on work in a specialty for which they are not licensed, and this measure will extend the same restriction to specialty contractors. Your Committee further notes the concerns raised in testimony that some of the standards used in the measure, as presently drafted, may be considered vague. Accordingly, amendments to this measure are necessary to address these concerns.

Your Committee has amended this measure by clarifying that specialty contractors may take and execute a contract involving the use of two or more crafts or trades when there are more than two specialty contractors involved; provided that the performance of the work in the crafts or trades, other than in which the specialty contractor is licensed, is incidental and supplemental and does not exceed five percent of the specialty contractor's total work performed in the craft for which the specialty contractor is licensed.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2709, S.D. 2.

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



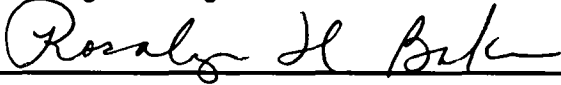
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ROSALYN H. BAKER, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2709 SD1	LCA, CPN	02-23-2022		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
DECOITE, Lynn	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.				/
FEVELLA, Kurt	/			
<b>TOTAL</b>	6	—	—	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes