

Honolulu, Hawaii  
MAR 19, 2024

RE: S.B. No. 2977  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2977 entitled:

"A BILL FOR AN ACT RELATING TO UNLICENSED CONTRACTORS,"

begs leave to report as follows:

The purpose of this measure is to impose a penalty for unlicensed individuals performing certain work that requires a contractor license, including the offering or performing of repairs or improvements to existing structures and property and tearing down or rebuilding structures and property that were damaged or destroyed due to a natural disaster.

Your Committee received testimony in support of this measure from the Office of Consumer Protection; Contractors License Board; Subcontractors Association of Hawaii; and Maui Chamber of Commerce. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that, following a significant weather event, unscrupulous individuals may take advantage of homeowners by convincing the homeowners to hire these individuals to perform significant rehab work, including building a whole new structure, without the required license and necessary accompanying expertise.



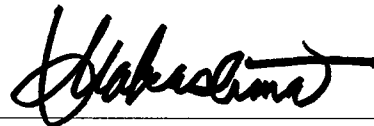
Your Committee further finds that existing law imposes a penalty for unlicensed contracting following a disaster. However, this is limited to when a person is performing repairs. As such, the existing law does not adequately protect homeowners following an event, such as the 2023 Maui wildfires, where many structures will need to be wholly rebuilt, rather than simply repaired. This measure expands the existing prohibition on unlicensed contracting following a disaster to address situations in which improvements are necessary following a disaster.

Your Committee has amended this measure by:

- (1) Specifying that the imposition of the penalty provided in this measure is discretionary, rather than mandatory;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; 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 is in accord with the intent and purpose of S.B. No. 2977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2977, H.D. 1, and be referred to your Committee on Finance.

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



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MARK M. NAKASHIMA, Chair



