

STAND. COM. REP. NO. **2819**

Honolulu, Hawaii

MAR 01 2024

RE: S.B. No. 2977

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Judiciary, 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 and intent of this measure is to:

- (1) Make it unlawful for an unlicensed contractor to offer or perform repairs or improvements to a residential or nonresidential structure or property, or add to or subtract from grounds in connection with the structure or property, for damage or destruction caused by a natural disaster for which a state of emergency or disaster is proclaimed by the Governor; and
- (2) Require violations to be punished by a fine of not more than \$10,000, imprisonment up to one year, or both, in addition to all other remedies or penalties.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Contractors License Board, Maui Chamber of Commerce, and Subcontractors Association of Hawaii.

Your Committee finds that existing law provides for enhanced civil and criminal penalties for unlicensed contracting after a disaster, but only when a person without a contractor license is



performing repairs that require a contractor's license to perform. This may deter unlicensed contracting after a disaster when the property damage resulting from the disaster is property damage that can be repaired, but will not deter unlicensed contracting after a disaster when the property damage that results from the disaster is destruction of existing structures. This measure will protect property owners in the State by reducing the risks of poor workmanship, jobsite injuries, and contractor fraud following a disaster.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2977 and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



