

TESTIMONY

SB 2798

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcawhawaii.org
Website: www.gcawhawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

February 1, 2010

TO: THE HONORABLE SENATOR DWIGHT Y. TAKAMINE, CHAIR AND MEMBERS
OF THE COMMITTEE ON LABOR

SUBJECT: S.B. 2798, RELATING TO CONTRACTORS LICENSES.

NOTICE OF HEARING

DATE: Tuesday, February 02, 2010
TIME: 3:00 p.m.
PLACE: Conference Room 224

Dear Chair and Members of the Committee:

The General Contractors Association (GCA), an organization comprised of over five hundred and seventy (570) general contractors, subcontractors, and construction related firms, is opposed to the passage of S.B. 2798, Relating To Contractors Licenses. The bill would limit specialty contractor from executing a contract involving the use of two or more trades incidental and supplemental to his specialty license to no more than one half of one per cent of the total value of the contract.

The GCA believes that the current statute is adequate and placing a percentage value for supplemental and incidental work is not fair and creates a problem on small contracts where one half of one per cent is a very small dollar amount. The determination of what constitutes supplemental and incidental work depends on the nature of the contract and the specialty work involved. The determination of whether the work is incidental and supplemental should be made by the contracting agency and the contractor's license board.

The application a specific percentage to determine what will constitute supplemental work will merely lead to more protests and delays in the award of state and county construction contract.

The GCA **strongly** opposes the passage of S.B. 2798, and recommends that the bill not be passed by this committee.

Thank you for the opportunity to provide our views on this issue.

SAH - Subcontractors Association of Hawaii

1188 Bishop St., Ste. 1003**Honolulu, Hawaii 96813-2938

Phone: (808) 537-5619 ✦ Fax: (808) 533-2739

February 2, 2010

Testimony To: Senate Committee on Labor
Senator Dwight Y. Takamine, Chair

Presented By: Tim Lyons
President

Subject: **S.B. 2798** – RELATING TO CONTRACTORS LICENSES

Chair Takamine and Members of the Committee:

I am Tim Lyons, President of the Subcontractors Association of Hawaii. SAH is composed of nine separate and distinct subcontracting organizations including:

ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

TILE CONTRACTORS PROMOTIONAL PROGRAM

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII

SHEETMETAL CONTRACTORS ASSOCIATION OF HAWAII

PAINTING AND DECORATING CONTRACTORS ASSOCIATION

PACIFIC INSULATION CONTRACTORS ASSOCIATION

We oppose this bill.

Although we find that it is necessary to have boundaries for specialty contractors, the concept of “incidental and supplemental” (line 7) had to be invented in order to allow contractors to do their job without having to stop and bring in other specialty crafts in order to do one (1) other minor item. We understand that the concept of “incidental and supplemental” is subject to abuse and although the construction industry had discussed this subject matter separately and together for many years, we have not been able to come up with a solution so we still are not sure what the solution is but we know it is not in this bill.

It is quite common that a specialty contractor’s work might “spill” into another area; an example is a roofing contractor making a flashing. If the flashing happens to be more than \$154 of a \$10,000 roof, he cannot do the work under the terms of this bill. A painting contractor who has to prepare the substrate surface by doing some minor concrete work can’t do it, he has to stop and call a mason. A flooring contractor that wants to put a wood floor on a irregular floor could not do it, he would have to stop and call a carpenter or a mason in order to straighten that out.

We think that is carrying the concept of specialization too far. Contractors generally know when they are stepping out of their field beyond their competency level and will call in other experts to do the work particularly, if it is any type of any major undertaking therefore, we do not think that one half of one percent is the proper measuring stick.

Based on the above, we cannot support this bill.

Thank you.