

STAND. COM. REP. NO. 1396

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 838  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 838, H.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 exempt an eleemosynary organization that meets certain conditions from licensure and other requirements of a contractor.

Your Committee received testimony in support of this measure from the Malama Kai Foundation, Ocean Tourism Coalition, Trilogy Excursions, Calypso Charters, Malolo Charters, Alii Nui Charters, PacWhale Eco Adventures, The Blue'Aina Campaign, and four individuals. Your Committee received testimony in opposition to this measure from the Contractors License Board; Chamber of Commerce Hawaii; Building Industry Association of Hawaii; and Plumbers and Fitters United Association, Local 675. Your Committee received comments on this measure from Captain Andy's Sailing, Inc.

Your Committee finds that, currently, a Hawaii-based non-profit organization is responsible for the installation and maintenance of the State's day use mooring buoy systems for over two hundred public buoys, and has had this responsibility since 1991. Financial resources to install and maintain the mooring



systems have been raised primarily through grants and donations, with relatively small funding from the State. Day use mooring buoys are the most effective means to prevent anchor damage to coral reefs. However, more buoys are needed in high-use areas where boats continue to drop anchor and a single non-profit organization does not have the resources, capacity, or responsibility to do this alone.

According to testimony received by your Committee, the definition of "contractor" is not appropriate for the type of work required for day use mooring buoy installation and maintenance. This measure will enable the Department of Land and Natural Resources to contract with a non-profit entity to install and maintain the State's day use mooring systems without going through the very expensive and time-consuming procurement process. This type of private-public partnership ensures the State will receive high-quality, specialized services to protect coral reefs and provides public access to ocean resources.

Your Committee has considered the testimony expressing concerns that this measure may apply more broadly than intended. It is your Committee's understanding that this measure is intended to narrowly apply only to mooring systems.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that an eleemosynary organization that intends to engage in a public works project or operation involving the installation or maintenance of a mooring system for vessels under one hundred gross tons is exempt from contractor licensure, under certain conditions; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 838, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 838, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



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

*Rosalyn H Baker*


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ROSALYN H. BAKER, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 838, HD1	CPH, NAM	3/14/19		
<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)	✓			
KEOHOKALOLE, Jarrett				✓
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.				✓
FEVELLA, Kurt			✓	
<b>TOTAL</b>	4		1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes