

Honolulu, Hawaii
February 8, 2018

RE: H.B. No. 1875
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1875 entitled:

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

begs leave to report as follows:

The purpose of this measure is to require that the Contractors License Board adopt rules to define the term "incidental and supplemental to the performance of work."

This measure also provides that the definition refer to no more than a certain percentage of all work in any craft or trade, other than any craft or trade for which the specialty contractor is licensed, to be performed under a single contract.

The Ironworkers Stabilization Fund testified in support of this measure with an amendment. The Department of Transportation testified in support of the intent of this measure. The Hawaii Laborers-Employers Cooperation and Education Trust, Pacific Resource Partnership, General Contractors Association of Hawaii, and Hawaii Laborers Union Local 368 opposed this measure. The Contractors License Board and Subcontractors Association of Hawaii provided comments on this measure.



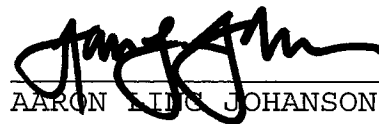
Your Committee has amended this measure by:

- (1) Specifying that the definition of "incidental and supplemental to the performance of work" shall refer to no more than ten percent of all work in the subcraft contract;
- (2) Changing its effective date to January 1, 2050, to enable further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that the Contractors License Board held a public hearing on November 17, 2017, on amendments to section 16-77-34, Hawaii Administrative Rules, which clarified incidental and supplemental work relating to contractors. Your Committee further notes that the administrative rules are still pending and, as such, your Committee proposes to facilitate continued dialogue on this issue through the legislative process, including further discussion on the amended definition of incidental and supplemental work referring to no more than ten percent of all work in the subcraft contract.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1875, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1875, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON KING JOHANSON, Chair



