CONTRACTORS LICENSE BOARD

Professional and Vocational Licensing Division Department of Commerce and Consumer Affairs State of Hawaii

<u>AGENDA</u>

Date:

February 21, 2025

Time:

9:00 a.m.

Place:

In-Person

King Kalakaua Conference Room

Meeting Location: HRH King Kalakaua Building 335 Merchant Street, First Floor

Honolulu, Hawaii 96813

Agenda:

The agenda was posted on the State electronic calendar as required by

Hawaii Revised Statutes ("HRS") section 92-7(b).

If you wish to submit written testimony on any agenda item, please email your testimony to contractor@dcca.hawaii.gov or by hard copy mail to: Attn: Contractors License Board, P.O. Box 3469, Honolulu, HI 96801. We request submission of testimony at least 24 hours prior to the meeting to

ensure that it can be distributed to the Board members.

Call to Order:

Minutes:

Approval of the Applications Committee Meeting Minutes of February 3, 2025

and the Board Meeting Minutes of January 24, 2025.

Reconvene to Chapter 92

Meeting:

The Board may enter into Executive Session to consider and evaluate personal information relating to individuals applying for professional or vocational licenses in accordance with Hawaii Revised Statutes section 92-5(a)(1), and to consult with the board's attorney on questions and issues pertaining to the Board's powers, duties, immunities, and liabilities in accordance with Hawaii Revised Statutes section 92-5(a)(4).

Appearances

Before the Board:

 a. Ross & Sons Refrigeration & Construction Inc Rick L Ross, RME

"B" General building

Jacob Klein Solomon, RME
 Associated Builders Inc
 "B" General building

- c. Aloha Bath & Flooring LLC
 James D Covington, RME
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
 C-7 Carpet laying
- d. Ohana Custom Homes Inc Bruce M Parisi, RME "A" General engineering

Committee Reports:

- Applications Committee Report
 Candace Ito, Executive Officer
 - Dome Technology LLC
 Mitchell Cade South, RME
 "B" General building
 - Mammoet USA North Inc Jeffrey A Jenkins, RME Sidney King, RME "A" General engineering
 - Rodney Y Takara, RME
 Commercial Plumbing Inc
 C-20 Fire protection
- Conditional License Report
 Lei Ana Green, Executive Officer

a.

3. Applications Committee

Applications Committee Recommendations (list attached)

- a. Request for Change in Business Status
- b. Request for Waiver of Bond Requirement
- c. Applications for Licensure
- Examination Committee
 Jerry Nishek, Chairperson

Contractors Examination Summary

2025 Legislation

Relating to Contractors

a. H.B. 421, H.D.1

Repeals the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale. Requires an owner or lessee to provide signed written notice that the structure for lease or sublease was built or improved by an individual who is not a licensed contractor. Effective 7/1/3000.

b. H.B. 846

Raises the threshold exemption under the contractor licensing law's handyman exemption from \$1,500 to \$2,500.

c. S.B. 417, S.D.1

Establishes as a class B felony the unlicensed performance of contractor work, during or within 5 years following a national emergency, state of emergency, or disaster proclamation, in an affected political subdivision. Effective 7/1/2050.

Relating to Renewable Energy

a. S.B. 232

Requires government entities in the State that issue building permits to implement SolarAPP+ or a functionally equivalent online automated permitting platform that verifies code compliance and issues permits to licensed contractors for solar distributed energy resource systems in real-time by 1/1/2026. Requires government entities in the State that issue building permits in areas served by an investor-owned electric utility to adopt a self-certification process for solar distributed energy resource systems that are not SolarAPP+ compatible.

b. S.B. 588, S.D.1

Authorizes certain state government entities to establish a self-certification process for behind-the-meter, customer-sited solar distributed energy resource systems and exempt the systems from the Federal Emergency Management Agency No-Rise/No-Impact declaration requirements under certain circumstances.

Relating to Building Permits

H.B. 367, H.D.1

Allows for county permit exemptions for certain kinds of activities. including agricultural and maintenance activities. Effective 1/1/3000.

Relating to Remedies

a. H.B. 420, H.D.2

Clarifies the applicability of the statute of repose for actions arising from construction defects. Specifies that a plaintiff's failure to plead with particularity the claim of fraudulent concealment, if the plaintiff raises the defense, subjects the plaintiff to liability for the costs incurred by the defendant, including attorneys' fees and costs. Clarifies the required contents of a notice of claim of construction defect served on a contractor. Amends the process and time frame for a claimant to accept a contractor's offer to settle or inspect and authorize the contractor to proceed with repairs. Limits the amount a claimant can recover if the claimant rejects a contractor's reasonable proposal for inspection or a reasonable offer to remedy. Clarifies the consequences of rejecting an offer of settlement. Effective 7/1/3000.

b., S.B. 179, S.D.1

Clarifies the applicability of the statute of repose for actions arising from construction defects. Clarifies the required contents of a notice of claim of construction defect served on a contractor. Amends the process and time frame for a claimant to accept a contractor's offer to settle or inspect and authorize the contractor to proceed with repairs. Limits the amount a claimant can recover if the claimant rejects a contractor's reasonable proposal for inspection or a reasonable offer to remedy. Clarifies the consequences of rejecting an offer of settlement. Effective 7/1/2050.

Hawaii

Administrative Rules: Proposed Amendment to HAR section 16-77-34 Definition of "Incidental and Supplemental" Work

Contractor Consumer

Education Fund:

Media on Hiring Licensed Contractors

Follow-up discussion and decision making regarding new media for consumers on hiring licensed contractors

Recovery

Fund:

Recovery Fund Report
Zale T. Okazaki, Esquire

Next Meeting:

March 21, 2025

Adjournment

2/14/25

If you need an auxiliary aid/service or other accommodation due to a disability, contact Candace Ito at (808) 586-2700 or contractor@dcca.hawaii.gov as soon as possible, preferably by February 19, 2025. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

4N SERVICES LLC

5 STAR FLOORING INC

808 KACHORRO'S GENERAL CONSTRUCTION, LLC

A & B CONSTRUCTION LLC

A.T.D POWER SOLUTIONS LLC

AARON E P SMITH

ABSOLUTE ELECTRIC & CONTROLS LLC

ADAM L FRISCH

ADAM R HARMS

AFO PRO QUALITY ROOFING LLC

AIDEN W WRIGHT

AKAMAI HVAC LLC

ALBERT H KIM

ALBERT K LEEDY

ALBERTO JONAH K DAYOAN

ALDEN D VIENNEAU

ALEKSANDR SARANCHUK

ALEXANDRIN PATRON

ALIGN INDUSTRIES LLC

ALL STARS CORP

ALLEN D GADUS

ALLEN R LAU

ALOHA BATH & FLOORING LLC

ALOHA ISLAND ENTERPRISE LLC

ALPHA-OMEGA PLUMBING INC

ALPINE ROOFING CO., INC.

AMEDEO J MARKOFF

AMERICAN EQUIPMENT SYSTEMS LLC

AMPED ELECTRIC LLC

ANACLETO PIO ALCANTARA III

ANDRES F RESTREPO

ANDREW J CARDIN

ANDREW JAMES

ANDREW R THOMAS

ANDREW ZIMMERMAN

ANGEL BRIONES

APEX TELECOM LLC

APOZPAINTING LLC

AQUEOS MARINE INC

ARA PETROSYAN

ARNIE F ORTEGA

ARTHER J CLAYTON JR

ARTHUR MOULTON HEMENWAY III

AT&T ENTERPRISES LLC

B & B ISLAND SERVICES LLC

BABCOCK & WILCOX CONSTRUCTION CO LLC

BAY ALARM COMPANY

BENJAMIN RIEHM

BIG ISLAND CUSTOM FLOORING INC

BIG WAVE CONSTRUCTION LLC

BLACK BELT ELECTRIC LLC

BLACKSTONE PACIFIC LLC

BOOM HAWAII BUILDERS LLC

BRADLEY J GAUL

BRAGDON BUILT LLC

BRANDON A DENNIS

BRANDON MANEAFAIGA

BRANDON N FERNANDEZ

BRANDON R FERREIRA

BRANT L BROWN

BRENT JOHNSON

BRENT S SHIGETA

BRIAN A VIKNER

BRIAN K MITSUNAGA

BRIAN M LEARY

BRIAN PYON

BRIAN VOLK

BROCK SERVICES, LLC

BROWN DEVELOPMENT LLC

BRUCE M PARISI

BUILD ZONE LLC

BYRON L KEAHI

CABLE INSTALLERS OF AMERICA LLC

CAMERON KNOLES

CARLA LYNN STROUD

CARLOS A PAEZ CAMELO

CASEY J WOOD

CAYDEN K OSHIRO

CHANG SONG LIN

CHON BUILDERS INC

CHRISTIAN R MASSEY

CHRISTOPHER G MORALES

CHRISTOPHER J BUSHARD

CHRISTOPHER KWOCK ON OKU

CHRISTOPHER S BURGESS

CHRISTOPHER W CAMPBELL

CLAYTON N JOHNSON

CLEAR WATER MECHANICAL PLUMBING & UNDERGROUND LLC

CLEVE K WOOLSEY

CMC HI BUILT LLC

CODY J M NAVARRO

COLBY L AYONON

COLD WAR REFRIGERATION INC

COLLIN R SAXBY

COLT GENERAL CONTRACTING LLC

CONCREATE OAHULLC

CONOR HELFRICH

CONSTRUCTION INNOVATIONS GROUP LLC

CONTROLTOUCH SYSTEMS LLC

CRAIG ALLAN HART

CRAIG M DORN

CRAIG R AKINA

CREATIVE WOODWORKING LLC

CS BUILDER LLC

CUSTOM TILE & STONE INC

D.A.R.C. BUILDERS LLC

DALE J M GAPUSAN

DAMON M PETRILLO

DANIEL DIAZ THEO GONZALEZ

DANIEL E TEFFERA

DANIEL K SCHENBECK

DANIEL P MCKEARAN

DANIEL R LOGUE

DANTE K BUSH

DAVID C WILLI

DAVID E BELL

DAVID HAROLD SHAHNAZARIAN

DAVID J HIBBITT

DAVID J MCCLOSKEY JR

DAVID M WHITE

DCSK PLUMBING LLC

DDTG CONSTRUCTION INC

DENNIS ELVENIA

DENNIS MILLIKAN ELBERT

DIGITAL PATH INC

DKB ELECTRIC LLC

DM PACIFIC INC

DOME TECHNOLOGY LLC

DOMINGO'S ELECTRICAL SERVICES LLC

DONALD V RANKIN

DONAVON S MINNIS

DOUGLAS P BACK

DRAGADOS USA INC

DUCKY RECOVERY LLC

DUNG T TON

DWIGHT D BURDICK

DYNAMIC GROUP, LLC

EATON CORPORATION

ECHO CONSTRUCTION LLC

ECO TECH HAWAII LLC

ECOSTRUCTION INC

ED DANG MACHINE WORKS INC

EDISON POWER CONSTRUCTORS INC.

EDWARD J WIRTZ IV

EDWARD J WIRTZ IV

EDWIN K APOSTADIRO

ELEVATE BUILDERS LLC.

ELIAS D CANTU

ELITE PLUS REAL ESTATE - OREM A PROFESSIONAL LIMITED LIABILITY

COMPANY

ELLIOTT B PETRI

ELVENIA BUILDERS LLC

FLVIS R LANDFORD

EMIL L BALLOCANAG

EMPOWERED ELECTRIC LLC

ENCLOS TENSILE STRUCTURES INC

ENGAGE CONTRACTING INC

ERIK J NELSON

ERIK M JARVIE

ERNEST J M PONTES

ERNESTO MEZA JR

ESAU VAKAMEILALO JR

ET CONSTRUCTION LLC

EUROCRAFT HARDWOOD FLOORS LLC.

EVAN W L CHENG

EVERETT G FLANDERS

EZ ELECTRIC LLC

FINEFEUIAKI MOLIA

FLEXGROUND LLC

FRANCIS I KUAILANI

FRANKLIN THURMAN

FREDERICK JOHN KASSEBEER

FULLER GLASS COMPANY INC

GALLAGHER CONSTRUCTION INC

GANESAN P PITCHAYMUTHU

GARY M BRENNAN

GAVIN VAUGHAN

GEORGE C NEWMAN

GEORGE DAVID HRUNKA

GGG DEMOLITION, INC

GILBERT A DASALLA

GO WITH THE FLOW PLUMBING LLC

GOLD MEDAL CONSTRUCTION CORP

GONZALO PLANAS JR

GORDON O AIHARA

GREEN HORIZONS KAUAI LLC

GREGG ANDREW MILLER

GREGORY D BALLARD

GREGORY E GUERRA

GREGORY J HEINZ

GREGORY SADO

HAWAII COURT RESURFACING LLC

HAWAII DESIGN & DEVELOPMENT LLC

HAWAII HOME CREATIONS, LLC

HAWAII ISLAND POWER SOLUTIONS LLC

HAWAII PRECISION PLASTERING LLC

HAWAIIAN MILLWORKS LLC

HEINZ PLUMBING LLC

HELFRICH BROS. BOILER WORKS, INC.

HI CURRENT ELECTRIC LLC

HITACHI ENERGY USA INC

HOA CONSTRUCTION CONSULTING

HORSLEY SPECIALTIES INC

HTS CO LLC

HUALALAI PLUMBING LLC

HUTTON CONSTRUCTION LLC

I CON CONSTRUCTION INC

IBBUILDERS HAWAII LLC

INFINITY GROUP LLC

INTEGRATED DEMOLITION AND REMEDIATION INCORPORATED

INTELLIGRATED SYSTEMS LLC

INTERSTATES INC

IOAN DUCIUC

IRONWOOD COMMERCIAL BUILDERS INC

IRV H LIPSCHUTZ

ISAIAH I SCHENK

ISILELI T KAHO

ISLAND CONTRACTORS LLC

ISRAEL A WAFER

ISRAEL MIRELES

IVAN P P OSINTSEV

J FAMILY CONSTRUCTION LLC

J GAG FARM SERVICES LLC

J&A CONSTRUCTION LLC

J. LYNE ROBERTS & SONS INC

JACOB KLEIN SOLOMON

JAMES ANDREW LAVARO

JAMES CHRISTY

JAMES D COVINGTON

JAMES D GRACEY

JAMES D WALTERS III

JAMES J CLIFFORD

JAMES MITCHELL KUHLMANN JR

JAMES P HAMILTON

JAMES R CHAMBLISS

JAMES W KOAPAKA HERRAS

JAMES Y KANESHIRO

JAMIE C HOWARD

JAMIL I LANI

JANEL M HARADA

JANUS INTERNATIONAL GROUP LLC

JARED-MICHAEL CRISOLOGO

JASON DANIEL DODSON

JASON H ARQUITOLA

JASON K BULLARD

JASON K C FROST

JASON MURAKAMI

JEFFREY A JENKINS

JEFFREY J SCALISI

JEFFREY JOHN WIRTZ

JENSEN POOL SERVICE HAWAII LLC

JERED K FUKUSHIMA

JEREMIAH W JOHNSON

JEROME W HEDER

JERZY BOGDAN MASZNICZ

JESS BYENTER

JESSE TAYLOR

JFG COMPASSIONATE CRAFTSMAN LLC

JIA SOLUTION LLC

JINPENG HE

JOEL A JOHNSON

JOEL KAHO'OHANOHANO

JOEMEL F GALLEGO

JOHANSEN CONTRACTING INC

JOHN A KANG

JOHN CUMMINS

JOHN E PORTER

JOHN M CUSTODIO

JOHN P THOMPSON

JOHN R WOODS JR

JOHNSON AND WOOD CONSTRUCTION INC

JON G EARLL

JON M MOLLISON

JONATHAN C CLAYTON

JONATHAN D DIODATO

JONATHAN E TSEU

JONATHAN H DELAHOYDE

JORDAN K GOMES

JOSE A A TAPIA

JOSEPH COYNE

JOSEPH E GAGLIONE

JOSEPH ETINGER

JOSEPH JOHANSEN

JOSEPH M HISLOP

JOSEPH MICHAEL POERIO

JOSH MESCALL

JOSHUA I ADKINS

JOSHUA M BRAGDON

JOURDAN KRANTZ

JUNCAI LIANG

JUSTIN A TERPENING

JUSTIN J AGSALUD

JUSTIN R LOPES

KA LANAKILA A'A LLC

KA YU LAI

KAENA ASING

KAHE CONSTRUCTION LLC

KAIDIO LLC

KAMIMURA PLUMBING LLC

KANANI M K POWELL

KANE'S ELECTRIC LLC

KAUAI CONCRETE DESIGN LLC

KAUAI MECHANICAL INC

KAY L TANTOG

KEAKA K KAAHUI

KEEP IT COOL & HANDY SERVICES LLC

KENNETH CORBEN

KENNETH K Y PARK

KENNETH R SLEZAK

KERRY M RICE

KEVIN S FUKUMOTO

KEVIN S WEBB

KEVIN THOMPSON

KIEL R MUELLER

KIMBERLY NAKASATO

KINGDOM FLOORING LLC

KINLEY CONSTRUCTION GROUP, LTD.

KINNAN ENGINEERINNG INC

KNOLES ELECTRIC LLC

KOAPAKA ELECTRIC LLC

KOLANI B BROWN

KOLI M TONGA

KSTONE PLUMBING CORPORATION

KURT A RAPOZO

KURT J MALLEY

KWONG Y KWAN

KYLE M KAMAE

LA SOLAR GROUP INC

LAHAINA ROOFING LLC

LARRY A DEVORE

LEANDRO GRANDO

LEGRAND CONSTRUCTION LLC

LEMUEL P SILVA

LEROY E NICOLAS III

LEVI B SPERL

LIFE SAFETY SOLUTIONS LLC

LIGHTNING PROTECTION SYSTEMS LLC

LOREN K KANESHIRO

LOWELL G REITH

LUKE A SHOUP

M & J RENOVATIONS INC

M E I CORPORATION

MAIKAI KA HANA CONSTRUCTION LLC

MAKAI AUTOMATION SYSTEMS LLC

MAMMOET USA NORTH INC

MARCEL KRAEL

MARK A MENDES

MARK G KUWAHARA

MARK L ZHANG

MARTIN LESSARD

MATTHEW B BARBERI

MATTHEW G SCHMIDT

MATTHEW R K PAN

MATTHEW S AZOUZ

MAUI COMMERCIAL LANDSCAPING INC

MAUI CONSTRUCTION TEAM LLC

MAUI HOME WORX LLC

MAUI SOLAR PROS INC

MAX E LUDWIG

MAX J MURRAY

MAX K BEHRENS

MCCLOSKEY MECHANICAL CONTRACTORS INC

MEGILL CONTRACTING & CONSTRUCTION SERVICES LLC

MENDES EXCAVATION LLC

MERLYN S K FERREIRA

MERMEL ENTERPRISES LLC

MGM BUILDERS LLC

MICHAEL A SMITH

MICHAEL A VELAZQUEZ

MICHAEL C WEBER

MICHAEL D COOPER

MICHAEL D MOORE

MICHAEL JOSEPH KERCHNER

MICHAEL K MATSUZAKI

MICHAEL LEE STRASSER

MICHAEL T MONIZ

MICHAEL W GOMLICKER

MID CITY TW RESILLC

MIKAEL A MAATTA

MILTON D MCGILL

MINGXING HE

MIRISSA M MCCANDLESS

MITCHEL W SLADE

MITCHELL CADE SOUTH

MLZ CONTRACTORS INC

MOCON CORPORATION

MOKU AIR LLC

MOMONA TRIMMING LLC

MR CONSTRUCTION LLC

MURAKAMI ROOFING LLC

MURRILL INC

NAKASATO CONTRACTING LLC

NATHAN C RAYCROFT

NATHAN E LEE

NATHAN M TRAHERN

NATIONAL INTERIOR SOLUTIONS LLC

NATIONWIDE LIFTS OF HAWAII INC

NAZ SENALDI

NCM HI INC

NEIL H EDWARDS

NELSON CONTRACTING INC

NELSON L GAGNON

NEXT LEVEL CUSTOM BUILDERS, INC.

NICHOLAS A RODRIGUES

NICHOLAS WILLIAM JEFFRIES

NING'S CONSTRUCTION INC

NOAH S CHONG

NORTHSHORE EXTERIORS INC

OAHU PLUMBING AND REPAIRS LLC

OCEANIC HOME SOLAR LLC

OCI CONTRACTING INC

OHANA CUSTOM HOMES INC

OLI HOME SOLUTIONS AND REPAIR LLC

OMAR CHAVIRA

OMAR M ABNEY

ONE SILVER SERVE LLC

ONESTA LLC

OSHKOSH AEROTECH LLC

P.A. LEWIS CONSTRUCTION INC

PACIFIC BUILD LLC

PACIFIC DECORATIVE CONCRETE INC.

PACIFIC FLOORING & DESIGNS LLC

PACIFIC INDUSTRIAL COATINGS LLC

PACIFIC PLAYSCAPES INC

PACIFIC STRIPING LLC

PACIFIC TREE SERVICES LLC

PAINTING SOLUTIONS MAULLLC

PALMSITE LLC

PARADISE HOME INSPECTIONS LLC

PARKER AND ASSOCIATES LLC

PARMIS LANDSCAPING & MAINTENANCE LLC

PATRICK J PASAMONTE

PAUL A LEWIS

PAUL J MARHOFER

PAUL L FREITAS

PC CONSTRUCTION LLC

PEAK PERFORMANCE ENERGY LLC

PERITIA STONE LLC

PETER Y LEE

PIEZOELECTRIC LLC

PLACE OF REFUGE LLC

PLACE SERVICES INCORPORATED

POERIO INCORPORATED

PREMIUM HOME BUILDER INC

PRESTON L SINENCI JR

PRIME TRUCKING AND EXCAVATING LLC

PRIMECORE ENTERPRISES LLC

PRO ISLAND DRAIN CLEANING & SERVICE LLC

PROSET LLC

PROVIDENCE BY DESIGN CONSTRUCTION AND DEVELOPMENT LLC

PUGET SOUND ABATEMENT SERVICES LLC

QUALITY CONSTRUCTION LLC

QUALITY RESTORATION INC.

QUTM CORP

R & F POWER SOLUTIONS LLC

R & R EQUIPMENT RENTALS LLC

R HIRANO PAINTING LLC

RACQUEL ANN L C TOYOZAKI

RADAN STANKOVIC

RALPH D COSTANZO

RALPH P CALDER

RANDALL R BELMONTE

RANDY J ANDERLE

RANDY R PIERCE

RANGELINE UTILITY SERVICES LLC

REFAEL R ZILBER

RENDY V GISMUNDO

REUBEN LOMBARDO

RICHARD E NUESSEN

RICHARD S MCDOWELL

RICK L ROSS

RLT SYSTEMS LLC

ROBERT C MURAOKA

ROBERT J HUTTON

ROBERT J NABALATAN

ROBERT J TOMAS

ROBERT K HAMILI

ROBERT KISS

ROBERT L TURNER

ROBERT P MARTIN

ROBERT V ROSS

ROBERT W GODDARD

ROCKY M HOSHIJO

ROCKY'S ELECTRIC LLC

RODGER W KEARLEY

RODNEY Y TAKARA

RONALD LOUIS BRANDT JR

RONNIE AKAI

ROSS & SONS REFRIGERATION & CONSTRUCTION, INC.

ROY P HIRANO

ROYAL ELECTRIC LLC

RTJM DESIGN LLC

RVG CONSTRUCTION COMPANY

RYAN K PAIK

RYAN L ECK

RYAN M DILLON

RYAN SHAHEEN JAHANSOOZ

S & K PLUMBING SERVICES LLC DBA S & K PLUMBING

SALT BUILDERS LLC

SAMUEL J RICHARD

SAN DIEGO ELECTRIC SIGN INC

SAND AND SAWDUST LLC

SANDY MICHAEL WATSON

SANTIAGO MONTONE

SBGC INC

SCHMIDT GENERAL CONTRACTING INC

SCOTT G ROBERTS

SCOTT N AOKI

SEAMUS N GALLAGHER

SEAN C COMBS

SEAN R WARNET

SECURADYNE SYSTEMS INTERMEDIATE LLC

SELSO GUERRA

SELUINI S MAFI

SHANE K RUTLEDGE

SHANE M CLARY

SHANNON KRAKOVER

SHAWN E KELLEY

SHAWN J BROWN

SHAWN J LITTLE

SHRENIK VORA

SIAOSI U VAIFOOU

SIDNEY KING

SIGNAL USA LLC

SKY BASKI

SMFCC LLC

SMITH ELECTRICAL SERVICES LLC

SOK HUAN TENG

SOUND SOLUTION GROUP LLC

SPECTRA COMPANY

STANLEY A TANGONAN

STETSON C LINDSEY

STEVE H HOEGGER

STEVE HOEGGER & ASSOCIATES INC.

STEVEN J NAKANISHI

STEVEN T GUIDO

STEVEN T WILLIAMS

STEVEN T WOOD

STORAGE BUILDING COMPANY LLC

STRATOS DEVELOPMENT INC

STREAMLINE INDUSTRIES LLC

STRUCTURAL PRESERVATION SYSTEMS LLC

SUMMIT INNOVATIONS DEVELOPMENT CORP

SUNNY DAYS WORKSPACE, INC.

SUNNY J REED

SUNSHINE DESIGN BUILD LLC

SUPERIOR CONSTRUCTION SERVICES LLC

TALK GIBSON

TAL BUILDERS LLC

THE PETERSON COMPANY LLC

THOMAS M YAMASAKI

TIANHONG FU

TIMOTHY J MILLER

TIMOTHY W BROERSMA

TITAN SPECIALIZED SERVICES INC

TOP SHAPE MASONRY LLC

TR_ELECTRIC_LLC_

TRACIE R BINGO

TRAVIS CABALAR

TRAVIS V LEINONEN

TROY S PLACE

TYSON G K FERREIRA

UNITY TILE DESIGN LLC

URBAN STACK

UTILITIES ONE INC

VAIFOOU CONSTRUCTION LLC

VENIAMIN Y PALIYEV

VERSATILE FABRICATION HAWAII LLC

VINCENT A PIAZZA III

VINCENT L BAROLDI

VOLK PACIFIC BUILDERS INC

VOLTA SYSTEMS GROUP LLC

WADE A THODE

WADE E KAMIMURA

WAYNE PERRY INC

WAYNE S SHERRILL

WB LLC

WEBER MAKAI CONSTRUCTION LLC

WEN PING WENG

WENDELL C DANG

WHITEWATER WEST INDUSTRIES LTD.

WILD STALLION EXCAVATION LLC

WILLIAM L STONE

WILSON YU

WOODS OHANA LLC

WY CONSTRUCTION INC

WYATT W K BUTTERBAUGH

XAVIER ALVAREZ

XEC INC

XIANDE CAO

XIAOLING YU GUAN

X-QUIZIT MARBLE & TILE LLC

YA HUA CHEN

ZACHARY A MERMEL

ZACHARY L DEBRUYNE

ZACKARY G HORSLEY

ZHENGYAO ZENG

•	

CONTRACTORS LICENSE BOARD

Professional and Vocational Licensing Division Department of Commerce and Consumer Affairs State of Hawaii

Minutes of the Applications Committee Meeting

Date:

February 3, 2025

In-Person

Queen Liliuokalani Conference Room

Meeting Location:

HRH King Kalakaua Building 335 Merchant Street, First Floor

Honolulu, Hawaii 96813

Virtual

Participation: Virtual Videoconference Meeting – Zoom Meeting

https://dcca-hawaii-gov.zoom.us/j/88163024681?pwd=lbB2r3ago6huhmLYPlrwaBrCQzGsrE.1

Phone number: (669) 900 6833 Meeting ID: 881 6302 4681

Passcode: 415680

Present:

Paul Alejado, Chairperson Maurice Torigoe, Member Daryl Suehiro, Member

Randy Lau, Member John Polischeck Jr., Member

Russell Inouye, Member
Candace Ito, Executive Officer
Lei Ana E. Green, Executive Officer
Kerrie Shahan, Executive Officer
Marc Yoshimura, Secretary
Julie Halapio, Secretary

Guests:

Michael Kerchner don summers michaelkerchner Holly Willi Thomas NFP Daniel Schenbeck Michael Yadao Monique Kelsey Tia M. Perez

Thomas (Thomas NFP)

Lisa Melonas Anonymous

Danielle Holland/IAC

Jordan Gomes

Agenda:

The agenda for this meeting was posted on the State electronic calendar, as required by Hawaii Revised Statutes ("HRS") section 92-7(b).

A short video was played to explain procedures for this virtual meeting and how members of the public can participate and interact with the Board during the meeting.

<u>Call to Order</u>: Chairperson Alejado called the meeting to order at 2:08 p.m.

Amendments to

the Agenda: The following amendment to the agenda is to correct an inadvertent error:

1. Add:

Quality Restoration Inc

Earl E Shook Jr, RME

C-1 Acoustical and insulation

C-5 Cabinet, millwork, carpentry remodeling and repairs

C-19 Asbestos

(Deferred at the January 24, 2025 meeting)

It was moved by Mr. Lau, seconded by Mr. Polischeck, and unanimously carried to approve the amendment to the agenda.

Review of License Applications and Recommendations to the Contractors License Board

Chairperson Alejado, Executive Officer Shahan, Executive Officer Green, and Executive Officer Ito read the Applications Committee's recommendations to the Contractors License Board ("Board") for the applications on the meeting agenda.

It was moved by Mr. Lau, seconded by Mr. Torigoe, and unanimously carried to approve the attached Applications Committee Recommendations.

Next Applications

Committee Meeting: March 3, 2025

Adjournment: There being no further business to discuss, the meeting was adjourned at 2:51 p.m.

Reviewed and approved by:	Taken and recorded by:
/s/ Candace Ito	/s/ Julie T. Halapio
Candace Ito	Julie T. Halapio
Executive Officer	Secretary

02/18/25

[]	Minutes approved as is.		
: 1	Minutes approved with changes	. See minutes of	·

APPLICATIONS COMMITTEE RECOMMENDATIONS

3.a. Request for Change in Business Status

3.b. Request for Waiver of Bond Requirement

3.c. Approve applications, subject to all requirements except examinations.

Applications A:

 808 Kachorro's General Construction LLC Max E Ludwig, RME "B" General building (Dual Status – Max E Ludwig, Individual)

- 2. Emil L Ballocanag (Individual) C-51 Tile
- Domingo's Electrical Services LLC Sotero M Domingo, RME C-13 Electrical
- 4. Elevate Builders LLC
 Mingxing He, RME
 "B" General building

(Dual Status – HM Construction Inc)

- 5. EZ Electric LLC
 Ethan J Repetto, RME
 C-13 Electrical
- 6. J Family Construction LLC
 Phong J Nguyen, RME
 "B" General building
- 7. Legrand Construction LLC Michael D Barton, RME "B" General building
- 8. Richard S McDowell (Individual) C-15 Electronic systems
- Mid City TW Res LLC
 Robert M Vavul, RME
 C-25 Institutional and commercial
 equipment
- 10. Murrill Inc
 Jason T Murrill, RME
 C-13 Electrical

> Pacific Flooring & Designs LLC Jason Bullard, RME
> C-51 Tile

12. Premium Home Builder IncKa Yu Lai, RMEC-13 Electrical

(Reactivation)

13. Rocky's Electric LLC Rocky M Hoshijo, RME C-13 Electrical

(Reactivation – Rocky M Hoshijo)

14. Wade A Thode (Individual)C-37e Treatment and pumping facilities

15. Andrew Zimmerman (Individual)
"A" General engineering
"B" General building

(Reactivation)

Applications B:

Approve applications; subject to all requirements including examinations in Parts I and II, except as otherwise noted.

- A & B Construction LLC
 Adam R Harms, RME
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
- 2. Argus Construction Management LLC James R Chambliss, RME "A" General engineering
- 3. Jered K Fukushima (Individual) "B" General building
- Hawaii Court Resurfacing LLC
 Jose A A Tapia, RME
 C-3b Play court surfacing
- 5. Hualalai Plumbing LLC Jordan K Gomes, RME C-37 Plumbing
- Ironwood Commercial Builders Inc
 Christopher K Bushard, RME
 "B" General building (withdraw 8/24)
 C-1 Acoustical and insulation (withdraw 1/25)
 C-6 Carpentry framing
 C-12 Drywall

- 7. Kamimura Plumbing Inc Wade E Kamimura, RME C-37 Plumbing
- 8. Rodger W Kearley, RME ICC Commonwealth Corporation C-23 Gunite
- Knoles Electric LLC
 Cameron Knoles, RME
 C-13 Electrical
- Marcel Krael (Individual)
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
- Mendes Excavation LLC
 Mark A Mendes, RME
 C-17 Excavating, grading and trenching
- Christopher Kwock On Oku, RME
 Johnson Controls Inc
 C-52 Ventilating and air conditioning
- 13. Cayden K Oshiro, RMEWhite Sands Construction, Inc."B" General Building
- 14. Ivan P P Osintsev, RME Hawaii Island Electric LLC C-13 Electrical
- 15. Pacific Build LLC
 Veniamin Y Paliyev, RME
 "B" General building
- 16. Streamline Industries LLC Edwin K Apostadiro, RME C-56 Welding
- Structural Preservation Systems LLC
 Jason Daniel Dodson, RME
 C-38 Post tensioning
 C-41 Reinforcing steel
- 18. Stanley A Tangonan, RMEZel-Tec IncC-55 Waterproofing

19. Jonathan E Tseu, RME
 Hensel Phelps Construction Co
 "A" General engineering (approve 1/25)
 "B" General building

<u>Applications</u>

Withdraw applications.

<u>C</u>:

<u>Applications</u>

<u>D</u>:

Deny applications; failure to show requisite experience and/or failure to show good reputation for honesty, truthfulness, financial integrity, and fair dealing.

 Utilities One Inc Alexandrin Patron, RME "A" General engineering

Applications E:

Defer applications; for further investigation or request for additional documentation.

5 Star Flooring Inc
 Aleksandr Saranchuk, RME
 "B" General building

- 2. 4N Services LLC
 Richard Nuessen, RME
 C-13 Electrical
 C-37 Plumbing
 C-57a Pumps installation
- 3. A&D Consulting LLC
 Damon M V Cabel, RME
 C-32 Ornamental, guardrail, and fencing (approve 05/24)
 C-48 Structural steel
 C-56 Welding (approve 05/24)
- 4. AFO Pro Quality Roofing LLC
 Arnie F Ortega, RME
 C-42 Roofing
 C-55 Waterproofing
- 5. AT&T Enterprises LLC John K Simmons, RME C-15 Electrical systems
- 6. Absolute Electric & Controls LLC Brent S Shigeta, RME C-13 Electrical

7. Gordon O Aihara (Individual)C-13 ElectricalC-62 Pole and Line (approve 1/24)

(Additional classification) (Reactivation)

- 8. Akamai HVAC LLCKaena Asing, RMEC-52 Ventilating and air conditioning
- 9. Anacleto Joey Boy S. Alcantara VI, RME Group Builders Inc
 "A" General engineering
 "B" General building (approve 1/24)
 C-1 Acoustical and insulation
 C-5 Cabinet, millwork, and carpentry remodeling and repairs (withdraw 1/25)
 C-12 Drywall (withdraw 1/25)
 C-33b Taping (withdraw 1/25)
 C-36 Plastering
- 10. Anacleto Pio Alcantara, RMEA H Construction LLC"B" General Building

(Additional classification)

Align Industries LLC
 Alden D Vienneau, RME
 "B" General building

(Additional classification)

- 12. All Stars Corp
 James D Walters III, RME
 "B" General building
- Aloha Bath & Flooring LLC
 James D Covington, RME
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
 C-7 Carpet laying

- 14. Aloha Island Enterprise LLC
 Francis I Kuailani, RME
 C-27 Landscaping
 C-37b Irrigation and lawn sprinkler
 systems
- 15. Alpha-Omega Plumbing Inc Neil H Edwards, RME C-37 plumbing
- 16. Alpine Roofing Co, Inc Joseph Coyne C-42 Roofing

- 17. American Equipment Systems LLCVincent L Baroldi, RMEC-68 Classified Specialist
- Peter R P Amerino (Individual)
 C-27 Landscaping
- Amped Electric LLC
 Patrick J Pasamonte, RME
 C-13 Electrical
- Jason Grant Anderholm (Individual)
 C-13 Electrical
- 21. Apex Telecom LLC
 Dung T Ton, RME
 C-15b Telecommunications
- Apozpainting LLCArthur Moulton Hemenway III, RMEC-33 Painting and decorating
- 23. Aqueos Marine Inc David E Bell, RME "A" General engineering
- 24. Jason H Arquitola, RME
 Terraformation Inc
 C-27 Landscaping
- 25. B7 Hawaii LLC
 James D Arthur, RME
 "A" General engineering
 "B" General building
- 26. B & B Island Services LLC
 Byron L Keahi, RME
 C-17 Excavating, grading, and trenching
 C-37a Sewer and drain line
- 27. Babcock & Wilcox Construction Co LLC Randy R Pierce, RME C-4 Boiler, hot-water heating, and steam fitting
- 28. Matthew B Barberi (Individual)
 "B" General building
 C-42 Roofing

- 29. Alissa E Bautista, RME Rosendin Electric Inc C-13 Electrical
- 30. Bay Alarm CompanyShane M Clary, RMEC-15a Fire and burglar alarm
- 31. Big Island Custom Flooring IncTravis Cabalar, RMEC-7 Carpet layingC-21 Flooring
- 32. Big Island Plumbing and Solar LLC Jeremy W Varize, RME C-37 Plumbing
- 33. Big Island Renovation IncMichael L Strasser, RME"B" General building
- 34. Big River Building LLC
 Adam C Wilson, RME
 "B" General building
- 35. Big Wave Construction LLC
 Gavin Vaughan, RME
 "B" General building
 C-17 Excavating, grading, and trenching
- 36. Black Belt Electric LLC Leandro Grando, RME C-13 Electrical
- 37. Blackstone Pacific LLC Peter V Walburn, RME "A" General engineering "B" General building
- 38. Bragdon Built LLC
 Joshua M Bragdon, RME
 "B" General building
- 39. Brock Services LLCOmar Chavira, RMEC-33 Painting and decorating

- 40. Timothy W Broersma, RME Elements of Hospitality Inc "B" General building
- 41. Brant L Brown, RME Hapa Landscaping, LLC C-27 Landscaping
- 42. Kolani B Brown (Individual)"A" General engineering (withdraw 4/24)"B" General building

(Additional classification)

(Additional classification)

- 43. Brown Development LLC Randy J Anderle, RME "A" General engineering
- 44. Build Zone LLC
 Mun-Won Chang, RME
 "A" General engineering
 "B" General building
 C-13 Electrical
 C-15 Electronic systems
 C-31 Masonry
 C-48 Structural steel
- 45. Dwight D Burdick (Individual)

 "A" General engineering

(Additional classification)

- 46. Christopher S Burgess, RME Stellar Group Incorporated "B" General building
- 47. C & C North America Inc
 Matt G Klein, RME
 C-5 Cabinet, millwork, and carpentry
 remodeling and repairs
- 48. CMC HI Built LLC
 Christian Ritchard Massey, RME
 "B" General building
- 49. CS Builder LLC
 Xian De Cao, RME
 C-13 Electrical

(Additional classification)

Cable Installers of America LLC
 Carlos A Paez Camelo, RME
 C-13 Electrical
 C-15 Electronic systems

- 51. Ralph P Calder, RME
 W W Clyde & Co
 "A" General engineering
 "B" General building
- 52. Elias D Cantu, RME
 Roto-Rooter Services Company
 C-37 Plumbing
- 53. Ya Hua Chen (Individual) "B" General building
- 54. Chon Builders Inc Sam Su Chon, RME "B" General building
- 55. Noah S Chong, RME
 Helix Electric Inc
 C-13 Electrical
 C-63 High voltage electrical
- 56. James Christy, RME
 Ahtna Infrastructure & Technologies
 LLC
 "B" General building
- 57. Arther J Clayton Jr. RME Island Demo Inc C-19 Asbestos
- 58. Clear Water Mechanical Plumbing & Underground LLC Selso Guerra, RME C-37 Plumbing
- 59. Colburn Construction LLC Lee A Colburn, RME "B" General building

(Dual status – Lee A Colburn)

- 60. Cold War Refrigeration Inc Andrew James, RME C-40 Refrigeration
- 61. Colt General Contracting LLC
 Jamie C Howard, RME
 "B" General building
- 62. Sean C Combs (Individual) "B" General building

63. Commercial Painting LLC Wesley M. Tamanaha, RME C-33 Painting and decorating

(Dual status – Wesley M Tamanaha)

64. Community Creators LLC
Christopher A McGarvey, RME
Robert S McGarvey, RME
"B" General building (withdraw 4/24)
C-3b Play court surfacing (approve 8/24)
C-25 Institutional and commercial
equipment (approve 8/24)
C-68MI Prefabricated metal buildings

(Robert S McGarvey – Dual Status – Northwest Playground Equipment Inc)

- 65. Concreate Oahu LLC
 Jourdan Krantz, RME
 C-33 Painting and decorating
- 66. Construction Innovations Group LLC Larry A Devore, RME
 C-13 Electrical
 C-63 High voltage electrical
- 67. Contract Décor Inc.
 David M. Stewart, RME
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
- 68. ControlTouch Systems LLC Kiel R Mueller, RME
 "B" General building C-13 Electrical
- 69. Ralph D Costanzo (Individual)

 "B" General building (withdraw 10/24)
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
- 70. Crabbe Services LLC
 Russell F Crabbe, RME
 C-17 Excavating, grading, and trenching
 C-24 Building moving and wrecking
 C-31 Masonry

- 71. Creative Woodworking LLC
 Justin A Terpening, RME
 "B" General business
- 72. Jared-Michael Crisologo, RME
 Protech Roofing LLC
 C-1 Acoustical and insulation

> 73. John M Custodio, RME Sky Climber of Hawaii LLC C-10 Scaffolding

74. Custom Tile & Stone Inc Albert K Leedy, RME C-51 Tile (Dual status – Hilo Tile & Stone Inc)

75. D.A.R.C. Builders LLC Ernesto Meza Jr, RME "B" General building

76. DCSK Plumbing LLC Sky Baski, RME C-37 Plumbing

77. DDTG Construction Inc
Daniel Diaz Theo Gonzalez, RME
C-12 Drywall
C-21 Flooring
C-32 Ornamental, guardrail, and fencing
C-32a Wood and vinyl fencing
C-33 Painting and decorating

78. DKB Electric LLC
Dante K Bush, RME
C-13 Electrical

79. DM Pacific Inc
Brian K Mitsunaga, RME
C-5 Cabinet, millwork, and carpentry
remodeling and repairs

(Additional classification)

80. Gilbert A Dasalla (Individual)
C-37 Plumbing

81. Jonathan H Delahoyde, RME Hawaiian Telcom Inc C-15b Telecommunications

82. Brandon A Dennis (Individual) C-37 Plumbing

83. Heath J Devery (Individual)C-5 Cabinet, millwork, and carpentry remodeling and repairs

- 84. Digital Path Inc
 Andrew J Cardin, RME
 "B" General building
 C-15b Telecommunications
- 85. Dome Technology LLC
 Mitchell Cade South, RME
 "B" General building
- 86. Craig M Dorn (Individual) C-16 Elevator
- 87. Dragados USA Inc Martin Lessard, RME "A" General engineering
- 88. Ducky Recovery LLC
 Daniel P McKearan, RME
 "B" General building
- 89. Dynamic Group LLC
 Fredrick A Gerdes, RME
 "B" General building
- 90. ET Construction LLC
 Edward J Wirtz IV, RME
 "B" General building
- 91. Eaton Corporation
 Gonzalo Planas Jr, RME
 "B" General building
 C-13 Electrical
- 92. Eaton Corporation
 Steven T Guido, RME
 C-13 Electrical
 C-63 High voltage electrical
- 93. Eaton Corporation
 Jess Yenter, RME
 "A" General engineering
- 94. Echo Construction LLC Gregory Sado, RME "A" General engineering
- 95. Eco Tech Hawaii LLC
 Jerzy Bogdan Masznicz, RME
 C-51 Tile

(Dual Status – Ed's Plumbing Repair & Remodel LLC) (Additional classification – Edward J Wirtz IV)

96. Ecostruction Inc
Mitchel W Slade, RME
"B" General building

97. Ed Dang Machine Works Inc Wendell Dang, RME C-56 Welding

98. Edison Power Constructors Inc Wayne S Sherrill, RME C-13 Electrical C-63 High voltage electrical

99. Dennis Millikan Elbert
Northshore Exteriors Inc
"B" General building
C-42 Roofing
C-44 Sheet metal

100. Elite Plus Real Estate - Orem A
Professional Limited Liability Company
Michael K Matsuzaki, RME
"A" General engineering
"B" General building (withdraw 9/24)
C-5 Cabinet, millwork, and carpentry
remodeling and repairs
C-68MI Prefabricated metal buildings

101. Elvenia Builders LLC Dennis Elvenia, RME "B" General building (Additional classification)

102. Empowered Electric LLC
Christopher Nguyen, RME
C-52 Ventilating and air conditioning

(Additional classification)

103. Enclos Tensile Structures IncAllen Gadus, RMEC-44b Awnings and patio cover

104. Engage Contracting Inc Donavon S Minnis, RME "B" General building

105. Essential Cabinet Refacing Inc
 Ringo J Pauly RME
 C-5 Cabinet, millwork, and carpentry
 remodeling and repairs

> 106. Joseph Etinger, RME (Additional classification) Cornerstone Detention Products Inc. C-25 Institutional and commercial equipment 107. Eurocraft Hardwood Floors LLC Ioan Duciuc, RME C-21 Flooring 108. Merlyn S K Ferreira, RME TSM Enterprises Inc C-13 Electrical 109. Flexground LLC Michael W Gomlicker, RME "A" General engineering C-68 Classified specialist 110. Paul L Freitas (Individual) (Additional classification) "B" General building 111. Tianhong Fu (Individual) "B" General building 112. Kevin S Fukumoto (Individual) C-37 Plumbing **GGG** Demolition Inc. 113. Gregg Andrew Miller, RME C-19 Asbestos C-24 Building moving and wrecking 114. Nelson L Gagnon (Individual) C-37 Plumbing 115. Gallagher Construction Inc. Seamus Gallagher, RME "B" General building 116. Kanale K George, RME K & S Welding Inc C-32 Ornamental, guardrail, and fencing C-48 Structural steel C-56 Welding 117. Get Er Done Contracting LLC

> > David J Van der Walle, RME

"B" General building

- 118. Go With The Flow Plumbing LLC Nicholas A Rodrigues, RME C-37 Plumbing
- 119. Robert W Goddard (Individual) "B" General building
- 120. Gold Medal Construction Corp George David Hrunka C-68 Classified specialist
- 121. Green Horizons Kauai LLC Samuel J Richard, RME C-27 Landscaping
- 122. Ground Zero Landscape & Construction LLC Carla Lynn Stroud C-27 Landscaping
- 123. Xiaoling Yu Guan (Individual)C-33 Painting and decorating
- 124. Gutter Ninjas LLC Cody T Matsuda, RME C-44a Gutters
- 125. HI Current Electric LLC Brian M Leary, RME C-13 Electrical
- 126. HI Landscaping LLC Kirill Vekhov, RME C-27 Landscaping
- 127. HOA Construction Consulting Ryan L Eck, RME "B" General building
- 128. HTS Co LLC
 Daryl Lee Smith, RME
 "B" General building
- 129. Hanale Builders LLC
 Henry James Correa, RME
 C-12 Drywall
 C-42 Roofing

- 130. Janel M Harada, RME
 Na Alii Consulting & Sales LLC
 "A" General engineering
- 131. Harmon IncKevin J Mannen, RMEC-22 Glazing and tinting
- 132. Hawaii Design & Development LLC Matthew S Azouz, RME "B" General building
- 133. Hawaii Home Creations LLC Refael R Zilber, RME "B" General building
- 134. Hawaii Island Power Solutions LLC Brock J Labenne, RME C-13 Electrical
- 135. Hawaii Precision Plastering LLC
 Justin R Lopes, RME
 C-36 Plastering
- 136. Hawaiian Millworks LLC
 Jonathan C Clayton, RME
 "B" General building
- 137. Jinpeng He (Individual)
 "B" General building
- 138. Jerome W Heder, RME
 JDH Construction Limited
 C-1 Acoustical and insulation
 C-6 Carpentry framing
 C-12 Drywall
- 139. Heinz Plumbing LLC Gregory J Heinz, RME C-37 Plumbing
- 140. Helfrich Bros Boiler Works Inc Conor Helfrich, RME C-31c Refractory
- 141. Hitachi Energy USA Inc Paul J Marhofer, RME "B" General building

- Home Remodel and Design LLC
 Glenn J Fortune, RME
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
- 143. Horsley Specialties IncZackary G Horsley, RMEC-19 Asbestos
- 144. Hulikoa Commercial LLC
 Christian Coetzee, RME
 C-5 Cabinet, millwork, and carpentry
 remodeling and repair
 C-21 Tile
- 145. Hulikoa Commercial LLC Mark R Dixon, RME "B" General building
- 146. Hutton Construction LLC Robert J Hutton, RME "B" General building
- 147. I Con Construction Inc
 Aiden W Wright, RME
 "B" General building (withdraw 1/25)
 C-6 Carpentry framing
- 148. IBBUILDERS Hawaii LLC
 Nathan E Lee, RME
 "B" General building
- 149. Ian M Ichimura, RME
 Pural Water Specialty Co Inc
 C-4 Boiler, hot-water heating, hot water supply, and steam fitting
 C-37 Plumbing
- 150. Infinity Group LLC Craig R Akina, RME "B" General building
- 151. Integrated Demolition and Remediation Incorporated
 Shrenik Vora, RME
 C-19 Asbestos
 C-24 Building moving and wrecking

- 152. Intelligrated Systems LLC Israel Mireles, RME C-16a Conveyer systems
- 153. Intercool USA LLC
 Kory Frederick Johnston, RME
 C-40 Refrigeration
- 154. Interstates Inc Lowell G Reith, RME C-13 Electrical
- 155. Island Cabinets LLC
 Greg Blue Crump, RME
 C-5 Cabinet, millwork, and carpentry
 remodeling and repairs
- 156. Island Residential Services LLC Sean R Warnet, RME "B" General building
- 157. J Gag Farm Services LLC
 Joseph E Gaglione, RME
 "B" General building
 C-17 Excavating, grading, and trenching
- 158. J. Lyne Roberts & Sons Inc Scott G Roberts, RME "B" General building
- 159. J&A Construction LLC Justin J Agsalud, RME "B" General building
- 160. J & L Construction Inc Wuneng Chen, RME "B" General building
- 161. JDE Construction Inc John D. Edwards, RME "B" General building
- JFG Compassionate Craftsman LLC Joemel F Gallego, RME
 "B" General building
- 163. JIA Solution LLC
 Evan W L Cheng, RME
 "B" General building

JND Rankin Construction Inc
 Donald V Rankin, RME
 "B" General building (withdraw 8/23)
 C-48 Structural steel

165. Ryan Shaheen Jahansooz, RME Sepideh Inc C-40 Refrigeration

- 166. Janus International Group LLC
 Benjamin Riehm, RME
 "B" General building
- 167. Nicholas William Jeffries, RME SG Builder LLC "B" General building
- 168. Jensen Pool Service Hawaii LLC
 Kasper Stege Jensen, RME
 "B" General building (withdraw 9/24)
 C-5 Cabinet, millwork, and carpentry
 remodeling and repairs
- 169. Johansen Contracting IncJoseph Johansen, RME"A" General engineering"B" General building
- 170. Brent Johnson, RME
 Northern Powerline Constructors Inc
 C-13 Electrical
- 171. Johnson And Wood Construction Inc Steven T Wood, RME "B" General building
- 172. Johnson Controls Security Solutions LLC Ryan W Knowles, RME C-15 Electronic systems
- 173. Ka Lanakila A'a LLC
 John A Kang, RME
 C-1 Acoustical and insulation
 C-12 Drywall
 C-36 Plastering
- 174. Kaidio LLC
 Jonathan D Diodato, RME
 "A" General engineering
 "B" General building
 C-16 Elevator

> 175. Kane's Electric LLC Loren K Kaneshiro, RME C-13 Electrical

176. Frederick John Kassebeer, RMERosendin Electric IncC-13 Electrical

177. Kauai Concrete Design LLC David J Hibbit, RME "B" General building

178. Kauai Mechanical Inc Colby L Ayonon, RME C-37 Plumbing

179. Keep It Cool & Handy Services LLC Dale J M Gapusan, RME C-52 Ventilating and air conditioning

180. Shawn E Kelley, RME Trane U S Inc "B" General building (Additional Classification)

(Additional classification)

181. Michael Joseph Kerchner, RME Tutor Perini Corporation"A" General engineering

182. Albert H Kim, RME Smalt & Company Inc C-27 Landscaping

183. King Rock Masonry LLC Faiva L Amone, RME C-31 Masonry

184. Kingdom Flooring LLC
Franklin Thurman, RME
"B" General building (withdraw 11/23)
C-7 Carpet laying (withdraw 11/23)
C-21 Flooring
C-51 Tile

185. Kinley Construction Group Ltd
Adam L Frisch, RME
"A" General engineering
"B" General building
C-37f Fuel dispensing
C-43a Reconditioning and repairing pipeline

- 186. Kinnan Engineering Inc Israel A Wafer, RME "A" General engineering
- 187. Robert Kiss (Individual) "B" General building
- 188. Koapaka Electric LLC James W Koapaka Herras, RME C-13 Electrical
- 189. KStone Plumbing Corporation Keith K Ishitani, RME C-37 Plumbing
- 190. Mark G Kuwahara, RME
 David M Kuwahara (Individual)
 C-33 Painting and decorating
- 191. Kwong Y Kwan (Individual) "B" General building
- 192. LA Solar Group Inc Ara Petrosyan, RME C-13 Electrical
- 193. Lahaina Roofing LLC Ronald Louis Brandt Jr, RME C-42 Roofing
- 194. Allen R. Lau, RME ASIX Plumbing LLC C-37 Plumbing
- 195. James Andrew Lavaro, Individual "B" General building
- 196. Christopher B H Lee, RME
 AKYO Group LLC
 "B" General building
- 197. Juncai Liang (Individual)
 "B" General building
- 198. Lightning Protection Systems LLC William L Stone, RME C-13 Electrical
- 199. Chang Song Lin (Individual)
 "B" General building

> 200. Stetson C Lindsey (Individual) "B" General building

201. Shawn J Little, RME Sunnova Energy Corporation C-13 Electrical

202. Daniel Logue, RMENa Alii Consulting & Sales LLC"A" General engineering

203. M & J Renovations Inc Omar M Abney, RME C-7 Carpet laying C-33 Painting and decorating

204. M E I Corporation
 Ariel A Daguio, RME
 C-1 Acoustical and insulation
 C-12 Drywall
 C-36 Plastering

205. MGM Builders LLC Jon G Earll, RME C-12 Drywall

206. MLZ Contractors Inc Mark L Zhang, RME "A" General engineering

207. MR Construction LLC

Maxim E Rachkovskiy, RME

"B" General building

208. Mikael A Maatta, RME
Fuller Glass Company Inc
"B" General building (deny 10/24)
C-22 Glazing and tinting

209. Seluini S Mafi (Individual) C-31 Masonry

210. Maikai Ka Hana Construction LLC
 James Mitchell Kuhlmann, Jr, RME
 "B" General building
 C-1 Acoustical and insulation
 C-36 Plastering

- 211. Mainz Builders Hawaii Inc Morgan Mainz, RME "B" General building
- Makai Automation Systems LLC
 Lance D Hamilton, RME
 C-52 Ventilating and air conditioning
- 213. Kurt J Malley, RME
 Northwest Exteriors Inc
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
- 214. Mammoet USA North Inc Jeffrey A Jenkins, RME "A" General engineering
- 215. Mammoet USA North Inc Sidney King, RME "A" General engineering
- 216. Brandon Maneafaiga (Individual)C-17 Excavating, grading, and trenching
- 217. Amedeo J Markoff (Individual)
 "B" General building
- 218. Maul Commercial Landscaping Inc Christopher G Morales, RME C-27 Landscaping C-27b Tree trimming and removal
- 219. Maui Construction Team LLC Joel Kaho'ohanohano, RME "B" General building
- 220. Maui Home Worx LLC
 Andrew R Thomas, RME
 "B" General building (withdraw 8/24)
 C-5 Cabinet, millwork, and carpentry remodeling and repair
- 221. Maui Solar Pros Inc Preston L Sinenci Jr, RME C-13 Electrical
- 222. Mirissa M McCandless, RME Rojac Construction Inc "A" General engineering

- McCloskey Mechanical Contractors Inc
 David J McCloskey Jr, RME
 C-52 Ventilating and air conditioning
- Megill Contracting & Construction
 Services LLC
 Michael L Garrett, RME
 "B" General building
- 225. Mermel Enterprises LLC Zachary A Mermel, RME C-27 Landscaping
- 226. Darren E Mertz (Individual)
 C-49a Hot tub and pool
 C-51a Cultured marble
- 227. Timothy J Miller RME Covanta Projects LLC "A" General engineering
- 228. Myles M Mizokami, RME
 Grace Pacific LLC

 "B" General building

 "A" General engineering (approve 4/23)
- 229. Mocon Corporation Angel Briones, RME C-23 Gunite

- 230. Mocon Pacific Inc Darin R. Fogg, RME "A" General engineering
- 231. Modbox LLC Craig S Smollen, RME "B" General building
- 232. Moku Air LLC
 Brandon N Fernandez, RME
 C-40 Refrigeration
- 233. Finefeuiaki Molia (Individual) C-31 Masonry
- 234. Jon M Mollison, RME
 Na Alii Consulting & Sales LLC
 "A" General engineering

235.	Momona Trimming LLC Elvis R Landford, RME C-27b Tree trimming and removal	(Reactivation – Elvis R Landford, RME)
236.	Michael T Moniz, RME Hawaii Electrical Solutions LLC C-13 Electrical	
237.	Santiago Montone, RME Hapa Landscaping LLC C-27 Landscaping	
238.	Michael D Moore, RME Penhall Company "A" General engineering	(Additional Classification)
239.	Murakami Roofing LLC Jason Murakami, RME "B" General building	(Additional classification)
240.	Robert Muraoka, Individual C-42 Roofing	
241.	NCM HI Inc Gregory E Guerra, RME "B" General building	
242.	Robert J Nabalatan, RME Brandsafway Services LLC C-2 Mechanical insulation	
243.	Steven J Nakanishi, RME State Wide Plumbing Inc C-37 Plumbing	
244.	Nakasato Contracting LLC Kimberly Nakasato, RME "A" General engineering	(Additional Classification)
245.	National Interior Solutions LLC Naz Senaldi, RME C-40 Refrigeration	
246.	Nationwide Lifts of Hawaii Inc Max J Murray, RME C-16 Elevator	

> 247. Cody J M Navarro, RME Video Warehouse Inc C-15 Electronic systems

248. Nelson Contracting Inc Darryl L Vigneux, RME "B" General building C-37 Plumbing

249. George Christopher Newman, RME
Curt Faus Corporation
"B" General building (withdraw 10/24)
C-5 Cabinet, millwork, and carpentry
remodeling and repairs
C-6 Carpentry framing

250. Newpark Group LLC Caleb J Lawson, RME "B" General building

251. Next Level Custom Builders Inc.
Josh Mescall, RME
"B" General building

252. Next Level Solutions LLC Neal M Tamashiro, RME C-13 Electrical

253. Leroy E Nicolas III, RME
Pan-Pacific Mechanical LLC
C-44 Sheet metal

(Additional classification)

254. Stephen T Nieman, RME Porter Construction Inc C-55 Waterproofing (Additional classification)

255. Ning's Construction Inc Jiafa Pan, RME "B" General building

256. Nohealani Masonry Contractor Corporation Kepueli Tupou, RME C-31 Masonry

257. Nolans Big Island Masonry Inc Keakuahanae K Nolan, RME C-31 Masonry

258.	Northshore Exteriors Inc Dennis Millikan Elbert, RME "B" General building C-42 Roofing	(Additional classification)
259.	Northstar Broadcast Contractors Inc Jason E Kardokus, RME "B" General building	dis.
260.	OCI Contracting Inc "B" General building	
261.	Oahu Plumbing and Repairs LLC Colton J Nascimento, RME C-37 Plumbing	
262.	Oceanic Home Solar LLC Erik J Nelson, RME C-13 Electrical	(Dual Status – Sunshine Solar LLC)
263.	Ohana Air Conditioning LLC Jeffrey R Esposito, RME C-52 Ventilating and air conditioning	
264.	Ohana Custom Homes Inc Bruce M Parisi, RME "A" General engineering	(Additional classification)
265.	Oli Home Solutions and Repair LLC Tai K Gibson, RME "B" General building	
266.	One Silver Serve LLC Alan F Reed, RME "B" General building	
267.	Onesta LLC Tyson G K Ferreira, RME "B" General building	
268.	Joseph E Orr (Individual) "B" General building	
269.	Oshkosh Aerotech LLC John P Thompson, RME "B" General building	

> 270. Oxford Electronics Inc (Additional classification) Jay D Rossi, RME C-16a Conveyor systems C-48a Steel door (approve 1/24) C-48 Structural steel (withdraw 10/20) 271. P.A. Lewis Construction Inc Paul A Lewis, RME "B" General building 272. PC Construction LLC (Additional classification) Collin R Saxby, RME C-3 Asphalt paving and surfacing 273. Pacific Concrete Works Inc. (Bond Waiver) Eric W Potter, RME "B" General building C-31 Masonry C-41 Reinforcing Steel 274. Pacific Decorative Concrete Inc. (Additional classification) Douglas C Back, RME C-21 Flooring Pacific Industrial Coatings LLC 275. Randall R Belmonte, RME C-42 Roofing 276. Pacific Mobile Welding and Fabrication LLC Riley T Mansell, RME C-56 Welding Pacific Playscapes Inc (Additional classification) Zachary L Debruyne, RME C-3b Play court surfacing 278. Pacific Striping LLC (Additional classification) Kyle M Kamae C-31 Masonry 279. Painting Solutions Maui LLC Alberto Jonah K Dayoan, RME C-33 Painting and decorating 280. Palmsite LLC (Dual status - Consolidated Everett G Flanders, RME Builders Inc) "B" General building

> > C-1 Acoustical and insulation

281.	Matthew R K Pan, RME Sunrun Installation Services Inc C-13 Electrical	
282.	Paradise Home Inspections LLC Peter Y Lee, RME "B" General building C-13 Electrical	(Dual status – Stanley Access Technologies LLC)
283.	Kenneth K Y Park (Individual) "B" General building	(Reactivation)
284.	Parker and Associates LLC Stephen J Parker, RME "B" General building	
285.	Parmis Landscaping & Maintenance LLC Ganesan P Paitchaymuthu, RME "B" General building C-17 Excavating, grading, and trenching C-19 Asbestos C-24 Building moving and wrecking C-31b Stone masonry C-43a Reconditioning and repairing pipeline (withdraw 1/24)	(Additional classification)
286.	Peak Performance Energy LLC Michael D Cooper, RME C-13 Electrical	
287.	Peritia Stone LLC Jeffrey John Wirtz, RME C-51 Tile	
288.	Korey M Peters, RME Certified Construction Inc C-42 Roofing	
289.	Scott H Peterson (Individual) C-31a Cement concrete C-33 Painting and decorating	
290.	Elliott B Petri, RME Na Alii Consulting & Sales LLC "A" General engineering	
291.	Damon M Petrillo, RME Tutor Perini Corporation "A" General engineering	

292. Vincent A Piazza III (Individual) C-51 Tile 293. Piezoelectric LLC Jeremiah W Johnson, RME C-13 Electrical 294. Place of Refuge LLC Travis V Leinonen, RME "B" General building 295. Place Services Incorporated Troy S Place, RME "B" General building 296. Roger A Plante, RME Sunnova Energy Corporation C-13 Electrical 297. Poerio Incorporated Joseph Michael Poerio, RME "B" General building 298. Ernest J M Pontes (Individual) C-51 Tile 299. John E Porter, RME Porter Construction Inc "B" General building 300. Kanani M K Powell, RME Sunrun Installation Services Inc. C-13 Electrical 301. Premier Logistics & Transportations Andranik Mikayelyan, RME "B" General building C-37 Plumbing 302. Prime Trucking and Excavation LLC (Additional classification) Max K Behrens, RME C-17 Excavating, grading, and trenching 303. Primecore Enterprises LLC David C Willi, RME C-17 Excavating, grading, and trenching

C-37a Sewer and drain line

laying

C-43 Sewer, sewage disposal, drain, and pipe

- 304. Pro Island Drain Cleaning & Service LLC Brandon R Ferreira, RME C-37 Plumbing
- 305. Proset LLC
 James P Hamilton, RME
 "B" General building
- 306. Prospiant Inc
 Ananda Bethea, RME
 C-22 Glazing and tinting
- 307. Providence By Design Construction and Development LLC
 Gary M Brennan, RME
 "B" General building
 C-37 Plumbing
- 308. Puget Sound Abatement Services LLC
 Joseph M Hislop, RME
 C-19 Asbestos
- 309. Puu Malu LLC Evan S Porges, RME C-13 Electrical
- 310. Brian Pyon, RME
 Mastec Network Solutions LLC
 C-13 Electrical
- 311. QUTM CORP
 Kenneth Corben, RME
 "B" General building
 C-13 Electrical
 C-37 Plumbing
- 312. Quality Construction LLC Joshua I Adkins, RME "B" General building
- 313. Quality Restoration Inc
 Earl E Shook Jr, RME
 C-1 Acoustical and insulation
 C-5 Cabinet, millwork, and carpentry
 remodeling and repairs
 C-19 Asbestos

314. R&C Enterprises LLC (Additional classification) Robert K Pilato, RME "B" General building 315. R & F Power Solutions LLC Andres F Restrepo, RME C-13 Electrical 316. R & R Equipment Rentals LLC Ryan K Paik, RME "A" General engineering "B" General building 317. **RLT Systems LLC** Robert L Turner, RME C-13 Electrical 318. RTJM Design LLC Ronnie Akai, RME C-5 Cabinet, millwork, and carpentry remodeling and repairs 319. **RVG Construction Company** Rendy V Gismundo, RME "B" General building 320. R Hirano Painting LLC (Additional classification) Roy P Hirano, RME C-42e Urethane foam 321. Rangeline Utility Services LLC Christopher W Campbell, RME C-17 Excavating, grading, and trenching 322. Kurt A Rapozo, Individual C-27 Landscaping 323. Nathan C Raycroft, RME Caddell Construction CO (DE) LLC "B" General building 324. Sunny J Reed, RME **Directy LLC** C-15b Telecommunications 325. Robert V Ross, RME Home Depot USA Inc C-53 Miscellaneous retail products

326. Ross & Sons Refrigeration & (Additional classification) Construction Inc Rick L Ross, RME "B" General building 327. Royal Electric LLC James Y Kaneshiro, RME C-13 Electrical 328. Shane K Rutledge, RME DirectTV LLC C-15b Telecommunications 329. S & K Plumbing Services LLC DBA S & K Plumbing Sandy Michael Watson C-37 Plumbing 330. SBGC Inc Shawn J Brown, RME "B" General building 331. SMFCC LLC Scott N Aoki, RME "B" General building 332. SRT Electrical Services LLC Troy M R Y Kageyama, RME C-13 Electrical 333. SST Construction LLC Jesse Lee Park, RME C-13 Electrical Salt Builders LLC Bradley J Gaul, RME "B" General building 335. San Diego Electric Sign Inc Gregory D Ballard, RME C-14 Sign 336. Sand and Sawdust LLC

Shannon Krakover, RME

remodeling and repairs

C-5 Cabinet, millwork, and carpentry

- 337. Jeffrey J Scalisi, RME
 Architectural Glass & Aluminum Co Inc
 C-22 Glazing and tinting
- 338. Isaiah I Schenk, RME Sunrun Installation Services Inc C-13 Electrical
- 339. Schmidt General Contracting Inc Matthew G Schmidt, RME "B" General building
- 340. Securadyne Systems Intermediate LLC James D Gracey, RME C-15a Fire and burglar alarm
- 341. David H Shahnazarian, RME American Marine Corporation "A" General engineering

(Dual status – Pacific Environmental Corporation)

- 342. Luke A Shoup, RME
 MEV LLC
 C-19 Asbestos
 C-24 Building moving and wrecking
- 343. Signal USA LLC Irv H Lipschutz, RME "B" General building
- 344. Lemuel P Silva (Individual) C-33 Painting and decorating
- 345. Smith Electrical Services LLC Aaron E P Smith, RME C-13 Electrical
- 346. Jacob Klein Solomon, RME Associated Builders Inc "B" General building
- 347. Sound Solution Group LLC
 Steven T Williams, RME
 C-1 Acoustical and insulation
 C-15 Electronic systems
- 348. Spectra Company
 Reuben Lombardo, RME
 C-31b Stone masonry

349.	Levi B Sperl, RME Steve's Plumbing, Heating, Cooling & Electrical LLC
	C-52 Ventilating and air conditioning
350.	Radan Stankovic (Individual) C-68 Classified specialist
351.	Steve Hoegger & Associates Inc Steve H Hoegger, RME C-12 Drywall (Additional classification)
352.	Storage Building Company LLC Kenneth R Slezak, RME C-48 Structural steel
353.	Stratos Development Inc Clayton N Johnson, RME "B" General building
354.	Summit Innovations Development Corp Kevin S Webb, RME "B" General building
355.	Sunny Days Workspace Inc Michael A Smith, RME "B" General building (Additional classification)
356.	Superior Construction Services LLC Kevin K Mashino, RME "B" General building
357.	TR_Electric_LLC_ Tracie R Bingo, RME C-13 Electrical
358.	Marc Masao Taga, RME Quality General Inc "A" General engineering (approve 05/24)
	"B" General building C-31 Masonry
359.	Tai Sheng Electrician and Plumbing LLC Song Lin Zhang, RME "B" General building C-13 Electrical C-33 Painting and decorating C-37 Plumbing (Dual status – SL Construction LLC)

360.	Rodney Y Takara, RME Commercial Plumbing Inc C-20 Fire protection
361.	Kay L Tantog, RME NS Air Conditioning Inc C-52 Ventilating and air conditioning
362.	Jesse Taylor, RME Zel-Tec Inc C-31a Cement concrete (Additional classification)
363.	Technical Rfg Solutions Inc Vernol L Leandro, RME "B" General building
364.	Daniel E Teffera, RME Pacific Islands Group LLC C-42 Roofing C-55 Waterproofing
365.	Sok Huan Teng (Individual) "B" General building
366.	The Peterson Company LLC John Cummins, RME "B" General building
367.	Kevin Thompson, RME Bellingham Marine Industries Inc "A" General engineering
368.	Titan Specialized Services Inc David M White, RME C-13 Electrical
369.	Robert J Tomas, RME Moss & Associates LLC "A" General engineering "B" General building
370.	Koli M Tonga (Individual) "B" General building
371.	Top Rank Construction LLC Kanakalele J Silva, RME "B" General building

- 372. Top Shape Masonry LLC Ryan M Dillon, RME C-49 Swimming pool
- Top Shelf Cabinet Solutions LLC
 Mark Short RME
 C-5 Cabinet, millwork, and carpentry remodeling and repairs
- 374. Raquel Ann L C Toyozaki (Individual) "B" General business
- 375. Nathan M Trahern, RME Eric F Anderson Inc "B" General building
- 376. Trilink Enterprises Inc Mark J Strachan, RME "B" General building
- 377. Unique Homes of Hawaii LLC Jason K C Frost, RME "B" General building
- 378. United Irrigation Inc Anthony J Cunzio, RME C-27 Landscaping
- 379. Unity Tile Design LLC Kerry M Rice, RME C-51 Tile
- 380. Urban Stack
 Thomas A Stoddard Jr, RME
 C-17 Excavating, grading, and trenching
 C-23 Gunite
 C-27 Landscaping
 C-31 Masonry
 C-37a Sewer and drain line
 C-43 Sewer, sewage disposal, drain, and pipe laying
 C-49 Swimming pool
- 381. Vaifoou Construction LLC
 Siaosi U Vaifoou, RME
 "B" General building (withdraw 1/25)
 C-31 Masonry

- 382. Esau Vakameilalo Jr, Individual C-31 Masonry
- 383. Versatile Fabrication Hawaii LLC Robert K Hamili, RME C-32 Ornamental, guardrail, and fencing
- 384. Volk Pacific Builders Inc Brian Volk, RME C-22 Glazing and tinting
- 385. Volta Systems Group LLC
 Michael A Velazquez, RME
 C-15 Electronic systems
- 386. WB LLC Wyatt W K Butterbaugh, RME "B" General building
- 387. WY Construction Inc Wilson Yu, RME "B" General building
- 388. Richard K Wa'alani Jr, RME Waalani Enterprises LLC "A" General engineering
- 389. Wayne Perry Inc Milton D McGill, RME "B" General building
- 390. Weber Makai Construction LLC Michael C Weber, RME C-37 Plumbing
- 391. Wen Ping Weng (Individual) "B" General building
- 392. Whitewater West Industries Ltd Brian A Vikner, RME (withdraw 9/24) "B" General building (withdraw 1/24) C-25 Institutional and commercial equipment
- 393. Wild Stallion Excavation LLC Isileli T Kaho, RME C-17 Excavating, grading, and trenching

394. Casey J Wood, RME
Electrical Contractors Hawaii Inc
C-13 Electrical
C-62 Pole and line

395. Woods Ohana LLC
John R Woods, RME
"A" General Engineering
"B" General Building
C-48 Structural steel

396. Cleve K Woosley Jr, RME
CSI Electric Inc
C-13 Electrical

397. XEC Inc James J Clifford, RME "B" General building

398. X-Quizit Marble & Tile LLC Xavier Alvarez, RME C-51 Tile

399. Yamane Construction Group LLC Reid K Yamane, RME
"B" General building
C-13 Electrical (approve 11/23)

400. Thomas M Yamasaki, RME Alert Holdings Group LLC C-20 Fire protection

401. Zhengyao Zeng (Individual) "B" General building

	·			
	·		:	

A BILL FOR AN ACT

RELATING TO CONTRACTORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that the State faces a
- 2 critical shortage of affordable rental housing, creating
- 3 challenges for residents seeking accessible and diverse housing
- 4 options. The escalating demand for rental properties, coupled
- 5 with limited housing supply, has led to increased housing costs
- 6 and economic strain on families throughout the State.
- 7 The legislature further finds that Hawaii is one of only
- 8 seven states in the country that temporarily prohibit the
- 9 leasing of residential structures built by the owner-builder.
- 10 Current regulations and barriers hinder homeowners in Hawaii
- 11 from efficiently converting their single-family properties into
- 12 multi-family dwellings, limiting their ability to actively
- 13 participate in addressing the housing crisis.
- 14 Accordingly, the purpose of this Act is to remove the
- 15 leasing restriction on owner-builders who obtain an owner-
- 16 builder exemption to act as their own contractor and who build
- 17 or improve residential or farm buildings or structures on

H.B. NO. 421 H.D. 1

1.	property they own or lease and do not offer the buildings or
2	structures for sale.
3	SBCTION 2. Section 444-2.5, Hawaii Revised Statutes, is
4	amended to read as follows:
5	"5444-2.5 Owner-builder exemption. (a) This chapter
6	shall not apply to owners or lessees of property who build or
7	improve residential or farm buildings or structures on propert
8	(for their own use, or for use by their grandparents, parents,
9	ciblings, or children, they own or lease and who do not offer
10	the buildings or structures for sale [ex lesse]; provided that
11	(1) To qualify for an exemption under this section, the
12	owner or lessee shall register for the exemption as
13	provided in section 444-9.1;
14	(2) The exemption under this section shall not apply to
15	electrical or plumbing work that must be performed
16	only by persons or entities licensed in accordance
17	with this chapter, unless the owner or lessee of the
18	property is licensed for (such) work under chapter
19	448E;
20	(3) An owner or lessee exempted under this section shall

H.B. NO. 421

1		(A)	Supervise the construction activity on the exemp
2			buildings or structures;
3		(B)	Hire subcontractors appropriately licensed under
4	·		this chapter to perform any part of the
			construction activity for which a license is
ő			required;
7		(C)	Ensure that any electrical or plumbing work is
4			performed by persons and entities appropriately
9			licensed under this chapter or chapter 448E;
10		(D)	Deduct Federal Insurance Contributions Act and
11			withholding taxes and provide workers'
12			compensation insurance for persons working on the
13			construction activity who are not licensed under
14			this chapter or chapter 448E and who shall be
15			considered employees of the owner or lessee; and
16		(E)	Ensure that the construction activity complies
17			with all applicable laws, ordinances, building
18			codes, and zoning regulations;
19	(4)	Until	completion of the construction activity, an
20		owner	or lessee exempted under this section shall make

H.B. NO. 421 H.D. 1

.11.		ayaı.	Tante file introwind technol for Immediate
2		insp	ection upon request by the department:
3		(A)	A copy of the building permit application;
4		(B)	A copy of the issued building permit;
5		(C)	Copies of all contracts with the names of all
ď			persons who performed or are performing work on
7			the exempt buildings and structures; and
8		(D)	Proof of payment to all persons contracted to
9			work on the exempt buildings and structures; and
10	(5)	Upon	completion of the construction activity, an owner
11		or le	essee exempted under this section shall keep and
12		maint	ain the records identified in paragraph (4) for a
13		perio	od of three years from completion of the
14		const	ruction activity and shall make the records
15		avail	able for inspection within seven business days
16		upon	request by the department.
17	(5)	Proof	of the sale [or lease,] or offering for sale [or
18	lease, o	Ē the	structure within one year after completion shall
19	be prima	Eacie	evidence that the construction or improvement of
20	the struct	ture n	as undertaken for the purpose of sale [or lease];
21	provided 1	that t	his subsection shall not apply to:

H.B. NO. 421

I.	(L)	wesideuriai biobeiries soid (or iesses) to subjokes
2		of the owner or lessee;
3	(\$)	Construction or improvements performed pursuant to an
4		approved building permit where the estimated valuation
5		of work to be performed, as reflected in the building
6		permit, is less than \$10,000; or
7	(3)	Any sale [or lease] caused by an eligible unforeseen
5		hardship as determined by the board pursuant to
9		aubsection (c).
10	(c)	The board shall determine the eligibility of an
11	unforesea	n hardship claimed by an owner under subsection (b);
12	provided	that an alleged unforeseen hardship shall not be deemed
13	eligible :	if the board determines that the construction or
14	improveme	nt of the structure was undertaken for the purpose of
15	sale (or	icase]. An exemption for an unforeseen hardship shall
16	not be de	nied solely because of lack of completion, as the term
17	is defined	i in subsection $(-\{e\}-)$ (h) . An owner seeking a
18	determina	ion of eligibility of an unforeseen hardship shall:
19	(1)	Be in compliance with the requirements set forth in
20		the disclosure statement required to be provided under
21		section 444-9.1; and

H.B. NO. 421

1	(2)	Submit a Written application to the board at any time
2		prior to selling(, leading,) or offering to sell [ex
3	ń	lease] the property describing the nature of the
4		applicant's unforeseen hardship. The application
5		shall include supporting documentation detailing the
6		hardship, such as:
7		(A) Evidence of receipt of unemployment compensation;
8		(B) Tax returns;
9		(C) Medical records;
10		(D) Bank statements;
11		(E) Divorce decrees ordering sale of property;
12		(F) Mortgage default letters; or
13		(G) Bankruptcy filings.
14	The board	shall communicate its determination to the owner in
15	writing w	ithin ninety days of receiving a completed application
16	under this	s subsection.
17	(4)	Any owner or lessee of property found to have violated
18	this secti	ion shall not be permitted to engage in any activities
19	pursuant 1	to this section or to register under section 444-9.]
20	for a per	lod of three years. There is a rebuttable presumption
21	that an o	mer or lessee has violated this section when the owner

- I or lessee obtains an exemption from the licensing requirements
- 2 of section 444-9 more than once in two years.
- 3 (4e) For the purposes of this section, "completion" means
- 4 the date of final inopection approval by the county.
- 5 (e) An owner or lessee exempted under this section shall
- 6 provide, at the time of offering a residential structure for
- 7 lease or sublease, a written notice stating that the residential
- 8 structure was built or improved by an individual who is not a
- 9 licensed contractor. The written notice shall be signed and
- 10 dated by the owner or lessee.
- (f) An owner or lessee exempted under this section shall
- 12 not be eligible to recover from the contractors recovery fund.
- (g) This section shall not apply to agricultural
- 14 buildings, structures, or appurtenances thereto that do not
- 15 require a building permit or are exempt from the building code.
- 16 (h) For purposes of this section, "completion" means the
- 17 date of final inspection approval by the county."
- 18 SECTION 3. Section 444-9.1, Hawaii Revised Statutes, is
- 19 amended by amending subsection (c) to read as follows:

I	"(c) The county shall provide applicants for the exemption
2	under section 444-2.5 with a disclosure statement in
3	substantially the following form:
4	"Disclosure Statement
5	State law requires construction to be done by licensed
6	contractors. You have applied for a permit under an
7	exemption to that law. The exemption provided in section
8	444-2.5, Hawaii Revised Statutes, allows you, as the owner
9	or lessee of your property, to act as your own general
10	contractor even though you do not have a license. You must
11	supervise the construction yourself. You must also hire
12	licensed subcontractors. [The building must be for your
13	own use and occupancy. It may not be built for sale [or
14	lease]. If you sell (or lease) a building you have built
15	yourself within one year after the construction is
16	complete, the law will presume that you built it for sale
17	[or lease], which is a violation of the exemption, and you
18	may be prosecuted for this. It is your responsibility to
19	make sure that subcontractors hired by you have licenses
20	required by state law and by county licensing ordinances.
21	Electrical or plumbing work must be performed by

1	contractors licensed under chapters 448E and 444, Hawaii
2	Revised Statutes. Any person working on your building who
3	is not licensed must be your employee, which means that you
4	must deduct F.I.C.A. and withholding taxes and provide
5	workers' compensation for that employee, all as prescribed
Ğ	by law. Your construction must comply with all applicable
7	laws, ordinances, building codes, and zoning regulations.
8	If you violate section 444-2.5, Hawaii Revised Statutes, or
9	fail to comply with the requirements set forth in this
10	disclosure statement, you may be fined \$5,000 or forty per
11	cent of the appraised value of the building as determined
12	by the county tax appraiser, whichever is greater, for the
13	first offense; and \$10,000 or fifty per cent of the
14	appraised value of the building as determined by the county
15	tax appraiser, whichever is greater, for any subsequent
16	offense.**
17	The county shall not issue a building permit to the owner-
18	applicant until the applicant signs a statement that the
19	applicant has read and understands the disclosure form."
20	SECTION 4. Statutory material to be repealed is bracketed
21	and stricken. New statutory material is underscored.

1 SECTION 5. This Act shall take effect on July 1, 3000.

Report Title:

Contractors; Owner-builder Exemption; Leasing Restriction; Disclaimer; Repeal

Description:

Repeals the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale. Requires an owner or lessee to provide signed written notice that the structure for lease or sublease was built or improved by an individual who is not a licensed contractor. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

Testimony of the Contractors License Board

Before the
House Committee on Housing
Wednesday, February 12, 2025
9:00 a.m.
Conference Room 430 and Videoconference

On the following measure: H.B. 421, RELATING TO CONTRACTORS

Chair Evslin and Members of the Committee:

My name is Candace Ito, and I am the Executive Officer of the Contractors License Board (Board). The Board opposes this bill.

The purposes of this bill are to: (1) repeal the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale; and (2) require an owner or lessee to provide signed written notice that the structure for lease or sublease was built or improved by an individual who is not a licensed contractor.

The Board opposes this measure as the purpose of the one-year lease restriction and the requirement that the structures be built for the owner builder's own use, or for use by their grandparents, parents, siblings, or children, is to prevent the use of the owner-builder exemption to circumvent contractor licensing requirements. Lifting this limitation conflicts with the Board's objective to protect the health, safety and welfare of persons contracting with the construction industry, and afford the public effective and practical protection against the incompetent, inexperienced, unlawful, and unfair practices of unlicensed contractors.

The owner builder exemption permits an owner or lessee to act as their own general contractor. They are responsible for supervising the construction, ensuring that subcontractors are properly licensed, and ensuring work safety standard are met. The owner-builder is also responsible for ensuring the project passes building codes and building inspections, and that the project complies with employment and tax laws for any persons working on the project who are not licensed. The average homeowner would not have adequate construction knowledge to carry out the responsibilities of a

•

Testimony of the Contractors License Board H.B. 421 Page 2 of 2

general contractor. A licensed general building contractor is required to have at least four years of supervisory experience constructing buildings from foundation to roof and possess knowledge of the laws that they are required to follow such as Occupational Health and Safety requirements, building codes, and tax and labor laws.

Unlicensed contractors take advantage of owners by convincing them that the owner-builder exemption allows owners to build using unlicensed contractors.

Unlicensed contractors may not have the knowledge, training, and skills which could lead to construction defects. Owner-builders are at a disadvantage because unlicensed contractors do not warranty their workmanship, and substandard workmanship could jeopardize the safety of the occupants.

The owner-builder exemption law has been amended several times since 1974 to narrow the exemption in order to control and abate the unlawful activities of unlicensed contractors. This bill removes a crucial requirement which currently curtails unlicensed contracting. It lessens the restrictions on the owner builder exemption and allows anyone who owns or leases property to be exempt from the contractor licensing requirements. Removing the requirement that the structure be built for use by the owner-builder or their family permits anyone who owns land, including real estate investors, to build without a licensed general contractor. This was never the intent of the owner-builder exemption.

This bill undermines the contractor licensing law and contradicts the intent of the owner builder exemption by removing controls and safeguards that were enacted to protect the public from the dangers of unlicensed contracting activity. The Board respectfully requests that this bill be held.

Thank you for the opportunity to testify on this bill.



JOSH GREEN, M.D. GOVERNSI NE KAN'NA

SYLVIA LLIKE LEUTEMANT COMERCIO NA ROPE RAVINA

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIR KA 'OIHANA PILI KĀLEPA

DEPAIT OFFICE OF ALLEY POTONCIE

DEPAIT OFFICE OFFICE OF A HOPE LUNE MOTONCIE

MADINE Y. ANDO

335 MERCHANT STREET, ROOM 330 P.O. BOX 541 HONDLULU, HAWAT 96809

HONDLILU, HAWAII 96809 Phone Number: (808) 586-2850 Fax Number: (808) 596-2856 ccs hawail.gov

Testimony of the Department of Commerce and Consumer Affairs

Before the House Committee on Housing Wednesday, February 12, 2025 9:00 a.m. Conference Room 430

On the following measure: H.B. 421, RELATING TO CONTRACTORS

Chair Evslin and Members of the Committee:

My name is Esther Brown, and I am the Complaints and Enforcement Officer of the Department of Commerce and Consumer Affairs (DCCA) Regulated Industries Complaints Office (RICO). RICO offers comments on the bill.

By way of background, RICO partners with the DCCA's professional and vocational licensing boards, commissions, and programs (Boards) to regulate specific industries for the health, safety, and welfare of the public, and with due consideration of the State's legitimate, law-abiding professional and vocational licensees. RICO's domain is limited to two independent enforcement responsibilities: performing investigative and prosecutorial functions for the Boards. The Boards set standards for, and have final decision-making authority over, their respective licensees. In the case of this bill, therefore, RICO defers to and supports the Contractors License Board's position because it is the expert, governing body for matters affecting legitimate contracting in our State.

•

RICO appreciates the intent of the bill and applauds the Legislature's efforts towards creative and immediate solutions for housing kama'āina. The bill amends section 444-2.5, Hawaii Revised Statutes, which is commonly known as the "owner-builder exemption." Currently the exemption allows individual (human) homeowners to engage in general contracting without meeting the rigorous experience, financial, and competency standards that are required of contractors that are vetted and licensed by the Contractors License Board, provided the human owner or their immediate 'ohana occupies the property for a designated period of time.

At page 2, lines 8 - 9, and at page 8, lines 12 - 13, the bill proposes a *repeal* of the foundational requirement that the unlicensed owner-builder general contractor inhabit, and not sell, their structure for at least a year after completion. If adopted, therefore, the proposed amendments will:

- (a) Remove a guardrail that has been in place for decades that helped prevent the rapid flipping of potentially poorly-constructed homes;
- (b) Place the coinciding risk of defective or substandard construction on the innocent purchaser rather than the unlicensed owner-general contractor who built and supervised the project; and
- (c) Cause legitimate and licensed contractors who specialize in remodeling and building homes to lose work to unlicensed contractors.

Finally, the proposed amendments could:

- (a) Cause legitimate contractors to consider giving up their license to invest in becoming unlicensed homeowner-developers;
- (b) Tempt entities to buy, fix, and flip homes at prices that could be unaffordable for struggling local families; and
- (c) In worst-case scenarios involving the immediate flip of a home, lead to litigation against the unlicensed owner-builder contractor, the subcontractors who worked the project, and possibly the realtors for having sold a home constructed by an unvetted and unlicensed general contractor.

Thank you for the opportunity to testify on this bill.

February 11, 2025

TESTIMONY IN OPPOSITION TO H.B. 421, RELATING TO CONTRACTING

Senate Committee on Housing The Honorable Luke Evslin, Chair The Honorable Tyson Miyake, Vice Chair

February 12, 2025 @ 9:00 AM Conference Room 430 State Capitol 415 South Beretania Street

Chair Evslin, Vice Chair Miyake, and members of the Committee:

The Contractors Association of Kaua'i is a hundred member 68-year-old trade association based on Kaua'i. Our members are made up of 60% licensed general and specialty contractors. The Contractors Association of Kaua'i (CAK) is submitting this testimony in OPPOSITION of H.B. 421, Relating to Contracting.

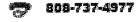
When the original legislation allowing for owner-builders was enacted, the intent was to allow for the construction by a property owner of a home for personal occupancy. It was never intended to be "flipped" within a year; leased, or rented out in full or by rooms within the house or farm dwelling.

If this bill is enacted, the legislature could well reduce the amount of work a small licensed residential contractor will be able to do. These contractors had to document and show proof of thousands of hours of actual experience in the trades for which he or she is seeking to be licensed in. These contractors would have had to take and pass a battery of tests, invest in insurances, be bonded (in many cases) and have tax clearances. We humbly ask that the legislature respect the holders of contractors licenses who employ your family, friends, neighbors and constituents and who are a big part of Hawai'i's economic engine. While the current owner-builder law is not perfect, for now there appears to be balance.

Lastly, we would like to suggest that the legislature address the state's regulatory requirements that make the development and construction of housing so difficult and costly.

Thank you for allowing the Contractors Association of Kaua'i to weigh in on this issue.

Copy: The Honorable Speaker, Nadine Nakamura



February 12, 2025

The Honorable Luke A. Evslin, Chair

House Committee on Housing State Capitol, Conference Room 430 & Videoconference

RE: House Bill 421, Relating to Contractors

HEARING: Wednesday, February 12, 2025, at 9:00 a.m.

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR supports House Bill 421 which repeals the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale. Requires an owner or lessee to provide signed written notice that the structure for lease or sublease was built or improved by an individual who is not a licensed contractor.

An owner-builder is a property owner who has an owner-builder permit from the county to build or improve residential structures on a property for personal use or by their immediate family. As an owner-builder, one acts as their own general contractor, ensuring that all applicable laws, building codes, and zoning regulations are followed amongst other requirements. Additionally, a property owner may not apply for another owner-builder permit for three years.

Under current law, an owner-builder cannot sell or lease, or even offer to sell or lease the structure for one year after completion. The current restriction on leasing means that owner-builders that could offer units on Hawaii's rental market are unable to do so in that period. We support eliminating the one-year lease restriction for ownerbuilders to assist with increasing the supply of homes for Hawaii's rental market.

Mahalo for the opportunity to testify in support of this measure.



	٠			
				•
				•
•				
		•		
				·
		•		
			•	

LATE "Testimony submitted late may not be considered by the Committee for decision making purposes



1060 Bishop St., #508 Honolulu, HI 96813 808-864-1776 Info@grassrootinstitute.org

According Continues (or According Symposius)

Feb. 12, 2025, 9 a.m.

Hawaii State Capitol

Conference Room 430 and Videoconference

To: House Committee on Housing Rep. Luke Evslin, Chair Rep. Tyson Miyake, Vice-Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: HB4 — RELATING TO CONTRACTORS

Aloha Chair Evslin, Vice-Chair Miyake and other members of the Committee,

The Grassroot Institute of Hawaii supports <u>H8421</u>, which would allow owner-builders to lease any homes they build within one year of their construction.

Owner-builders currently can build a home for themselves or their families on their own lands, but they cannot either sell or lease the house within a year of its construction.

The state of California allows owner-builders to lease their homes under their owner-builder exemption, so there is already some precedent for this type of change.

Removing this bit of red tape would help Hawaii homeowners seeking to build an extra unit on their land, and would complement many of the strategies being now used to ease the state's housing shortage.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ Cal. Bus. & Prof. Code § 7044. Building or improvement by owner, accessed March 25, 2024.

STAND. COM. REP. NO. 582

Honolulu, Hawaii

FEB 13 ' 2025

RE: H.B. No. 421 H.D. 1

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 421 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale; and
- (2) Require an owner or a lessee to provide signed written notice that the residential structure for lease or sublease was built or improved by an individual who is not a licensed contractor.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS and Grassroot Institute of Hawaii. Your Committee received testimony in opposition to this measure from the Contractors License Board and Contractors Association of Kaua'i. Your Committee received comments on this measure from the Regulated Industries Complaints Office.

2025-1804 HB421 HD1 HSCR HMSO

Your Committee finds that under existing law, an owner-builder who has an owner-builder permit to act as their own general contractor cannot sell or lease, or offer to sell or lease, a structure that was built under an owner-builder exemption until one year after completion. Your Committee further finds that Hawaii is one of only seven states in the country that imposes this type of restriction. The existing restriction on leasing means that property owners who could offer units in Hawaii's rental market are unable to do so during this one-year period. This measure will complement many of the strategies now being used to ease the State's housing shortage by eliminating this lease restriction.

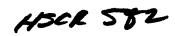
Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 421, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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

LUKE A. EVSLIN, Chair



Record of Votes of the Committee on Housing

Bill/Resolution No.: HB421	Committee Referral:	Date	2/12	25
☐ The committee is reconsidering its previ	ous decision on the measure.			
	unamended (as is) Pass hort form bill with HD to recom	, with amendments		
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. EVSLIN, Luke A. (C)				
A NOTICE TO SECURE				
2. MIYAKE, Tyson K. (VC)				
3. COCHRAN, Elle				
,				
4. GRANDINETTI, Tina Nakada				
				í
5. KILA, Darius K.	✓			
6. KITAGAWA, Lisa				
or and the state of the state o	V			
7. LA CHICA, Trish	✓		·	
8. MURAOKA, Christopher L.	√			
9. PIERICK, Elijah		<u> </u>		
7. TERICK, Enjan	V			
			•	
			-,	
	·			
TOTAL (9)	8	0	0	
The recommendation is: Adopt If joint ref	-		rt recommendation	
Vice Chair's or designee's signature:	July	Myall	<i>-</i>	
Distribution: Original (White) - Committe	e Duplicate (Yellow) - C	chief Clerk's Office	Duplicate (Pi	ink) – HMSO

A BILL FOR AN ACT

RELATING TO CONTRACTORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 283 (2019) 2 raised the exemption threshold under HRS 444-2 from \$1,000 to \$1,500, while also exempting all costs associated other than 3 4 labor and materials. In passing Act 283, the legislature noted the increased cost of materials, limited access to contractors 5 and skilled professionals, and the risk of untrained homeowners performing their own improvements. These concerns remain today, 8 and a mere \$500 increase has done little to address the issues. 9 Home renovation prices continue increasing due to the 10 rising cost of materials and labor. According to the Department 11 of Business, Economic Development, and Tourism the cost of 12 construction for a single-family residence increased 3.9 per 13 cent between 2023 and 2024. Further, the U.S. Congressional 14 Joint Economic Committee reported that Hawaii has seen 15 cumulative inflation of nearly twenty per cent since 2021. 16 American Savings Bank references a report from the U.S.

Bureau of Labor Statistics which revealed that "[1]ess than half

HB HMIA 2025-42-01

17

- 1 of construction businesses survived a decade" since 2013. This
- 2 industry trend is reflected in Hawaii where a shortage of
- 3 licensed contractors has led to an increased price of labor.
- 4 In this desaturated market, many licensed contractors prefer to
- 5 accept jobs exceeding \$10,000. Ultimately, this shortage makes
- 6 it difficult for homeowners to make timely small-scale repairs.
- Many other states have much higher exemption thresholds to
- 8 licensure requirements than Hawaii. Alabama and Delaware have
- 9 thresholds set at \$50,000, while North Dakota and North Carolina
- 10 are set at \$40,000 and \$30,000, respectively. Only seven states
- 11 have lower thresholds than Hawaii. Further, Hawaii still
- 12 prevents certain specialized jobs from being eligible for this
- 13 exemption such as electrical or plumbing work and any project
- 14 requiring a building permit.
- 15 With the ongoing housing crisis, rising cost of living, and
- 16 the need to update deferred maintenance in many condo units,
- 17 Hawaii cannot afford to have one of the lowest exemption
- 18 thresholds in the nation. It took twenty-seven years for Hawaii
- 19 to increase the threshold in Act 283, but the issues facing our
- 20 state are too pressing to be dealt with an equal lack of urgency
- 21 today.

_		area and a far posts of this field to to amend the
2	handyman	exemption threshold from \$1,500 to \$2,500.
3	SECT	ION 2. Section 444-2, Hawaii Revised Statutes, is
4	amended b	y amending subsection (4) to read as follows:
5	"§44	4-2 Exemptions. This chapter shall not apply to:
6	(1)	Officers and employees of the United States, the
7		State, or any county while in the performance of their
8		governmental duties;
9	(2)	Any person acting as a receiver, trustee in
10		bankruptcy, personal representative, or any other
11		person acting under any order or authorization of any
12		court;
13	(3)	A person who sells or installs any finished products,
14		materials, or articles of merchandise that are not
15		actually fabricated into and do not become a permanent
16		fixed part of the structure, or to the construction,
17		alteration, improvement, or repair of personal
18		property;
19	(4)	Any project or operation for which the aggregate
20		contract price for labor and materials is not more
21		than $[\$1,500]$ \$2,500. This exemption shall not apply

1		in any case where a building permit is required
2		regardless of the aggregate contract price, nor where
3		the undertaking is only a part of a larger or major
4		project or operation, whether undertaken by the same
5		or a different contractor or in which a division of
6		the project or operation is made in contracts of
7		amounts not more than $[\$1,500]$ $\$2,500$ for the purpose
8		of evading this chapter or otherwise;
9	(5)	A registered architect or professional engineer acting
10		solely in the person's professional capacity;
11	(6)	Any person who engages in the activities regulated in
12		this chapter as an employee with wages as the person's
13		sole compensation;
14	(7)	Owner-builders exempted under section 444-2.5;
15	(8)	Any joint venture if all members thereof hold licenses
16		issued under this chapter;
17	(9)	Any project or operation where it is determined by the
18		board that less than ten persons are qualified to
19		perform the work in question and that the work does
20		not pose a potential danger to public health, safety,
21		and welfare; or

1	(10) Any public works project that requires additional
2	qualifications beyond those established by the
3	licensing law and which is deemed necessary and in the
4	public interest by the contracting agency."
5	SECTION 3. Statutory material to be repealed is bracketed
6	and stricken. New statutory material is underscored.
7	SECTION 4. This Act shall take effect upon its approval.
8	- · 24- ×/
	INTRODUCED BY:
	IAN 2 1 2025

Report Title:

Contractors; Handyman Exemption; Threshold

Description:

Raises the threshold exemption under the contractor licensing law's handyman exemption from \$1,500 to \$2,500.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

A BILL FOR AN ACT

RELATING TO CONTRACTORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- I SECTION 1. The legislature finds that in recent years,
- 2 there has been a significant increase in fraudulent activities
- 3 by unlicensed contractors, commonly known as "storm chasers,"
- 4 who exploit the vulnerabilities of homeowners in the aftermath
- 5 of natural disasters. These individuals often engage in
- 6 deceptive practices, such as performing substandard repairs or
- 7 absconding with advance payments, leaving property owners in
- 8 precarious situations. In 2021, the Federal Trade Commission
- 9 received nearly seventy thousand cases of home repair,
- 10 improvement, and product fraud, underscoring the pervasive
- II nature of this issue.
- 12 The legislature further finds that the financial impact of
- 13 these types of fraudulent activities is substantial. The
- 14 National Insurance Crime Bureau estimates that post-disaster
- 15 fraud results in billions of dollars in losses annually, with
- 16 approximately ten per cent of catastrophe-related insurance
- 17 payouts being diverted to unscrupulous contractors.

- Post-disaster fraud not only burdens individual homeowners but
 also contributes to increased insurance premiums and strains on
 public resources.

 The legislature also finds that in recognition of the
 severity of post-disaster fraud, several states have enacted
 stringent measures to deter and penalize contractor fraud during
 disaster recovery efforts. For instance, Wisconsin implemented
- 9 with contractors within a specified period if their insurance

legislation granting homeowners the right to cancel contracts

- 10 claims are denied, thereby providing a safeguard against hasty
- 11 agreements with fraudulent operators. Similarly, Tennessee has
- 12 introduced laws requiring contractors to furnish detailed
- 13 information to residents affected by storms, enhancing
- 14 transparency and accountability in repair services. Despite
- 15 these efforts, the persistence of contractor fraud necessitates
- 16 a unified and robust response. Higher penalties for unlicensed
- 17 contracting activities during declared states of emergency serve
- 18 as a strong deterrent against these exploitative practices.
- 19 With Lahaina in the throes of rebuilding and with costs
- 20 spiraling out of control, the legislature finds there is still a
- 21 pressing need to enact further protections. By adopting

İ	enhanced punitive measures, the State can better protect its
2	residents from predatory contractors, ensure the integrity of
3	disaster recovery processes, and promote public trust in the
4	aftermath of natural disasters.
5	Accordingly, the purpose of this Act is to establish as a
6	class B felony the unlicensed performance of contractor work,
7	during or within five years following a national emergency,
8	state of emergency, or disaster proclamation, in an affected
9	political subdivision.
LO	SECTION 2. Section 444-10.6, Hawaii Revised Statutes, is
LI	amended by amending subsection (e) to read as follows:
12	"(e) Any person who violates section 444-9(, in connection
13	with the offer or performance of repairs to a residential or
14	nonresidential structure for damage caused by a natural disaster
15	in] <u>:</u>
ļ6	(1) During or within five years following a national
17	emergency proclaimed by the President or the Congress
18	of the United States or a state of emergency
9	proclaimed by the governor; and
20	(2) Within a political subdivision for which (a state of)
11	the emergency or disaster is proclaimed (by the

10

governor, may be punished by a fine of up to \$10,000,

imprisonment up to one year, or both),

shall be quilty of a class B felony, in addition to all other remedies or penalties."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2050.

Report Title:

National Emergencies; States of Emergency; Disasters; Contractors; Unlicensed Performance of Work; Penalties

Description:

Establishes as a class B felony the unlicensed performance of contractor work, during or within 5 years following a national emergency, state of emergency, or disaster proclamation, in an affected political subdivision. Effective 7/1/2050. (SDI)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

*			

JAN 1 5 2025

A BILL FOR AN ACT

RELATING TO REMEMBBLE ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that Act 97, Session Laws
- 2 of Hawaii 2015, requires electric utilities in the State to
- 3 achieve a one hundred per cent renewable portfolio standard by
- 4 December 31, 2045, to transition the State away from imported
- 5 fossil fuels and toward locally available renewable energy
- 6 sources.
- 7 The legislature further finds that to encourage the timely
- 8 build-out of a diverse, resilient, and reliable portfolio of
- 9 low-cost renewable energy generation and storage assets, Hawaii
- 10 must lower the administrative barriers that constrain deployment
- 11 of residential and commercial-scale distributed energy
- 12 resources.
- 13 The legislature further finds that existing permitting
- 14 processes can add substantial time and cost to the adoption of
- 15 residential solar and energy storage projects and that online
- 16 permitting tools such as the United States Department of
- 17 Energy's SolarAPP+ have been successfully implemented by



- I hundreds of government entities that issue building permits
- 2 throughout the nation. The Legislature finds that Hawaii's
- 3 permit-issuing government entities should similarly take
- 4 advantage of these tools to help meet the State's clean energy,
- 5 reliability, and resilience needs.
- 6 The purpose of this Act is to reduce administrative
- 7 barriers to the deployment of energy generation and storage
- 8 technology systems by: (1) Requiring government entities in the
- 9 State that issue building permits to implement SolarAPP+, or a
- 10 functionally equivalent online automated permitting platform,
- 11 that processes and issues permits to licensed contractors for
- 12 solar distributed energy resource systems in real time by
- 13 January 1, 2026; and
- 14 (2) Requiring government entities in the State that issue
- 15 building permits in areas served by an investor-owned electric
- 16 utility to adopt a self-certification process for solar
- 17 distributed energy resource systems that are not SolarAPP+
- 18 compatible.
- 19 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
- 20 amended by adding two new sections to be appropriately
- 21 designated and to read as follows:

S.B. NO. 232

1	" <u>§19</u>	6-A Building permits; issuing entities; adoption of
2	online au	tomated permitting platform; solar distributed energy
3	resource	systems. (a) Any government entity in the State that
4	issues bu	ilding permits shall:
5	(1)	By January 1, 2026, implement SolarAPP+ or a
6		functionally equivalent online automated permitting
7		platform that processes and issues permits to licensed
8		contractors for solar distributed energy resource
9		systems in real time; provided that the government
10		entity shall adopt a self-certification process
11		pursuant to section 196-B for solar distributed energy
12		resource systems that are not compatible with
13		SolarAPP+, or a functional online equivalent, at the
14		time the permit application is submitted to the
15		government entity;
16	121	Notify the Hawaii state energy office when it achieves
17		compliance with the requirements of paragraph (1); and
18	(3)	Submit annual notifications of its compliance with the
19		requirements of paragraph (1) to the Hawaii state
20		energy office.

1	(b) In issuing building permits in compliance with
2	subsection (a), the applicable government entity in the State
3	may promote the use of labor standards, including but not
4	limited to living wages, benefits, and requirements for
5	participation in state-approved apprenticeship programs.
6	(c) As used in this section:
7	"SolarAPP+" means the web-based portal and associated
8	software tools developed by the National Renewable Energy
9	Laboratory, as updated from time to time.
10	"Solar distributed energy resource system" means an
11	assembly of solar energy-generating or energy-storing materials
12	or any combined assembly of solar energy-generating and energy-
13	storing materials, and the related infrastructure necessary for
14	its operation.
15	§196-B Adoption of self-certification for solar
16	distributed energy resource systems; permit; approval; notice.
17	(a) Any government entity in the State that issues building
18	permits in any area of the State served by an investor-owned
19	electric utility shall establish a self-certification process
20	for residential and commercial on-site solar distributed energy
21	resource systems that deems permit applications approved and

S.B. NO. 232

1	allows ap	plicants to proceed to build immediately; provided that
2	the gover	nment entity receives written notice from:
3	111	The project owner, or an agent of the project owner,
4		that the owner or agent requests issuance of the
5		permit and is prepared to pay any required fees; and
6	121	The duly licensed architect, duly licensed engineer,
7		duly licensed electrician, or duly licensed plumber,
8		as applicable, who intends to install the solar
9		distributed energy resource system that the
10		installation of the system complies with all
11		applicable codes and laws.
12	<u>(b)</u>	A permit application or self-certification for a solar
13	distribut	ed energy resource system shall not require submission
14	of an app	roved materials and methods number; provided that the
15	following	are submitted with the license holder's written
16	notificat	ion pursuant to subsection (a):
17	<u> </u>	A manufacturer specification sheet;
18	<u>12)</u>	An installation and operations manual; and
19	<u>(3)</u>	A UL or other national testing laboratory
20		certification.

(c) If the requirements of subsection (a) are satisfied,
the applicable government entity in the State that issues
building permits shall issue the building permit number and
close the permit within thirty days of submittal.
(d) As used in this section, "solar distributed energy
resource system" has the same meaning as defined in section
196-A."
SECTION 3. In codifying the new sections added by
section 2 of this Act, the revisor of statutes shall substitute
appropriate section numbers for the letters used in designating
the new sections in this Act.
SECTION 4. New statutory material is underscored.
SECTION 5. This Act shall take effect upon its approval.
INTRODUCED BY: Whe Heller

S.B. NO. 232

Report Title:

Solar Distributed Energy Resource Systems; Building Permits; Online Automated Permitting Platform; Self-Certification Process

Description:

Requires government entities in the State that issue building permits to implement SolarAPP+ or a functionally equivalent online automated permitting platform that verifies code compliance and issues permits to licensed contractors for solar distributed energy resource systems in real-time by 1/1/2026. Requires government entities in the State that issue building permits in areas served by an investor-owned electric utility to adopt a self-certification process for solar distributed energy resource systems that are not SolarAPP+ compatible.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

A BILL FOR AN ACT

RELATING TO RENEWABLE EMERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that Act 97, Session Laws
- 2 of Hawaii 2015, requires electric utilities in the State to
- 3 achieve a one hundred per cent renewable portfolio standard by
- 4 December 31, 2045, to transition the State away from imported
- 5 fossil fuels and toward locally available renewable energy
- 6 sources.
- 7 The legislature further finds that to encourage the timely
- 8 build-out of a diverse, resilient, and reliable portfolio of
- 9 low-cost renewable energy generation and storage assets, Hawaii
- 10 must lower the administrative barriers that constrain deployment
- 11 of residential and commercial-scale distributed energy
- 12 resources.
- 13 The legislature further finds that the permitting review
- 14 process currently adds substantial time and cost to the adoption
- 15 of residential solar and energy storage projects and that self-
- 16 certification by duly licensed design professionals can

- I significantly reduce this time, cost, and administrative burden
- 2 without sacrificing public health and safety.
- 3 The purpose of this Act is to reduce administrative
- 4 barriers to the deployment of energy generation and storage
- 5 technology systems by requiring certain government entities in
- 6 the State to implement permit self-certification and
- 7 streamlined, common-sense permitting processes, thereby ensuring
- 8 efficient, standardized permitting and inspection for
- 9 behind-the-meter, customer-sited solar distributed energy
- 10 resource systems.
- II SECTION 2. Chapter 196, Hawaii Revised Statutes, is
- 12 amended by adding two new sections to be appropriately
- 13 designated and to read as follows:
- 14 "5196- Self-certification; solar projects; energy
- 15 storage projects. (a) By , each government entity in
- 16 the State that issues building permits shall establish an
- 17 efficient and standardized self-certification process for
- 18 behind-the-meter, customer-sited solar distributed energy
- 19 resource systems that deems permit applications approved and
- 20 allows applicants to proceed to build the solar distributed
- 21 energy resource system immediately; provided that:

1	(1)	The solar distributed energy resource system project
2		is not located on a property within a special flood
3		hazard area as identified on Federal Emergency
4		Management Agency's current Flood Insurance Rate Maps;
5		and and
6	(2)	The government entity receives from the project owner
7		or agent of the project owner:
8		(A) A copy of any written notification prepared by
9		the appropriate government entity, in response to
10		a request for determination from the project
11		owner or agent of the project owner, that the
12		proposed project is not required to comply with
13		federal, state, or county floodplain management
14		development standards, ordinances, codes,
15		statutes, rules, or regulations pursuant to the
16		requirements of the National Flood Insurance
17		Program;
18		(B) A request for issuance of the permit that
19		includes a statement that the owner or agent of
20		the owner is prepared to pay any required fees;
21		and

1	(C) Proof of a valid license in the respective field
2	for any professional installing the project and
3	confirmation that the installation of the project
4	will comply with all applicable codes and laws.
5	(b) The self-certification process shall allow a project's
6	relevant professionals to conduct permit reviews and inspections
7	using commercially available software and the professionals'
8	approvals shall be accepted without additional documentation;
9	provided that the submitted documentation demonstrates
10	compliance with all applicable codes and laws. In addition, the
11	self-certification process shall allow a project's relevant
12	design professionals to utilize offline field reports for
13	inspections to ensure faster reviews without added cost or
14	delays.
15	(c) If the requirements of subsection (a) and (b) are
16	satisfied, the applicable government entity in the State that
17	issues building permits shall issue the building permit number
18	and close the permit within thirty days after the date that the
19	application was submitted.
20	(d) As used in this section:

1	"Offline field report" means a report that uses photos and
2	videos taken of the project on site and submitted to a
3	permitting authority to allow inspection remotely and
4	asynchronously.
5	"Solar distributed energy resource system" means an
6	assembly of solar energy-generating or energy-storing materials,
7	or any combined assembly of solar energy-generating and energy-
8	storing materials, and the related infrastructure necessary for
9	its operation.
10	<u>\$196-</u> Solar distributed energy resource systems;
11	No-Rise/No-Impact declaration requirements. (a) Any government
12	entity in the State that issues building permits shall exempt
13	behind-the-meter, customer-sited solar distributed energy
14	resource systems from the Federal Emergency Management Agency's
15	No-Rise/No-Impact declaration requirements; provided that the
16	project is not located within a regulatory floodway as
17	identified on the Federal Emergency Management Agency's current
18	Flood Insurance Rate Maps.
19	(b) Each government entity in the State that issues
20	building permits shall develop Federal Emergency Management
21	Agency-accepted quidance for determining specific conditions

13

Ĩ when a No-Rise Certification is not required for a solar 2 distributed energy resource system located in a regulatory 3 floodway as identified on the Federal Emergency Management 4 Agency's current Flood Insurance Rate Maps. 5 (c) Notwithstanding subsections (a) and (b), the project 6 owner or agent of the project owner shall: 7 (1) Comply with all applicable codes and laws: (2) Properly install the system on an already existing 9 structure; and 10 (3) Not create additional obstruction within the 11 regulatory floodway." 12 SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2025.

Report Title:

Solar Distributed Energy Resource Systems; Permitting Self-Certification; FEMA Flood Zone No-Rise/No Impact Declaration Requirements

Description:

Authorizes certain state government entities to establish a self-certification process for behind-the-meter, customer-sited solar distributed energy resource systems and exempt the systems from the Federal Emergency Management Agency No-Rise/No-Impact declaration requirements under certain circumstances. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

				•	
				,	
	,				
·					
			*		

Honolulu, Hawaii

FEB 0 6 2025

RE: S.B. No. 588 S.D. 1

Honorable Ronald D. Kouchí President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committees on Energy and Intergovernmental Affairs and Government Operations, to which was referred S.B. No. 588 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize government entities in the State that issue building permits to:

- Establish a self-certification process for behind-themeter, customer-sited solar distributed energy resource systems; and
- (2) Exempt the systems from the Federal Emergency Management Agency No-Rise/No-Impact declaration requirements under certain circumstances.

Your Committees received testimony in support of this measure from the Hawaii State Energy Office; Photonworks Engineering LLF; Sol-Ark; Sunnova Energy Corporation; Credence Projects LLC; Mālama Solar; Legasea Energy Foundation, Green Power Projects, LLC; Hawaii Solar Energy Association; Alternate Energy Hawaii, Alternate Energy, Inc.; Hawaii Food Industry Association; Grassroot Institute of Hawaii; 350Hawaii; and eight individuals.

Your Committees received comments on this measure from the Department of Land and Natural Resources; Public Utilities Commission; Kaua'i Island Utility Cooperative; and Association of State Floodplain Managers, Inc.

Your Committees find that the State must lower administrative barriers that constrain the deployment of distributed energy resources to encourage the timely build-out of a diverse, resilient, and reliable portfolio of low-cost renewable energy generation and storage assets necessary for the State to achieve a one hundred percent renewable portfolio standard by December 31, 2045. This measure leverages existing technologies to streamline the permitting process for certain solar distributed energy projects, thereby saving ratepayers and contractors time and money while enabling faster reduction of carbon emissions.

According to testimony received by your Committees, the State and its counties are participating communities in the National Flood Insurance Program and are therefore subject to compliance with certain federal regulations set forth in the National Flood Insurance Act. However, the measure, as it is currently written, contains provisions that are inconsistent with these federal regulations. Accordingly, amendments to this measure are needed to address this matter.

Your Committees have amended this measure by:

- (1) Clarifying that all solar distributed energy resource systems subject to permit self-certification shall not be located within a special flood hazard area as identified on the Federal Emergency Management Agency's current Flood Insurance Rate Maps;
- (2) Clarifying that all solar distributed energy resource systems to be exempted shall not be located within a regulatory floodway as identified on the Federal Emergency Management Agency's current Flood Insurance Rate Maps;
- (3) Requiring that the project owner or their agent provide the government entity that issues building permits with a copy of any written notification prepared by the appropriate government entity that the proposed project

is not required to comply with relevant laws relating to floodplain management;

- (4) Requiring each government entity in the State that issues building permits to develop Federal Emergency Management Agency-accepted guidance for determining specific conditions when a No-Rise Certification is not required for a solar distributed energy resource system located in a regulatory floodway;
- (5) Deleting language that would have prevented the value of the solar and storage distributed energy resource system from being included in Federal Emergency Management Agency flood zone valuation calculations;
- (6) Amending section 1 to reflect its amended purpose; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Intergovernmental Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 588, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on behalf of the members of the Committees on Energy and Intergovernmental Affairs and Government Operations,

ANGUS L.K. MCKELVEY, Chair

GLENN/WAKAA Chai

The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Energy and Intergovernmental Affairs EIG

Bill / Resolution No.:*	Committee Referral:				Date:		
SB588	E16/6VO, OPN 1/30/25						
The Committee is reco		•		n this	measure.		
The Recommendation is:							
Pass, unamended 2312	Pass, wi	th amendm 311	ents [] Hok 2310		Recommit 2313	
Members		Aye	Aye (W	H)	Nay	Excused	
WAKAI, Glenn (C)		V					
CHANG, Stanley (VC)		J					
DECOITE, Lynn	. ;	V					
RICHARDS, III, Herbert M. *Ti	m'					U	
FEVELLA, Kurt						/	
TOTAL		3				2	
Recommendation: Adopted Not Adopted							
Chair's or Designee's Signature:							
Distribution: Original File with Committee Re		allow Is Office (Pink Drafting Age	STCY_		tenrod e File Copy	

*Only one Governor's Message per Record of Votes

The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Government Operations GVO

Bill / Resolution No.:*	Committee	Referral:		Date:		
50588	F76/6	VO,CPN] (30-25	
The Committee is reco				n this meast	ire.	
The Recommendation is:	7					
Pass, unamended [2312		th amendme 311	ents] Hold [2310	Recommit 2313	
Members		Aye /	Aye (W	R) Nay	Écoused	
MCKELVEY, Angus L.K. (C)		<u> </u>				
GABBARD, Mike (VC)		V_{2}				ALL COLONS
MORIWAKI, Sharon Y.						
SAN BUENAVENTURA, Joy A	L .	<u> </u>			<u> </u>	4
FEVELLA, Kurt						W()
						į.
	MARKANIA SINGA SIN		*****************			
12-38-98-98-98-98-98-98-98-98-98-98-98-98-98						
·						
TOTAL	<i></i>	4-1		_		
Recommendation:	/					
	Adopted			Not Adopt	ed	
Chair's or Designee's Signatur	5					
Distribution: Original File with Committee Rep		flow s Office Dr	Pink alting Ager		Soldenrod nittee File Copy	

*Only one measure per Record of Votes

			•
			6
	•		
		,	
			·

A BILL FOR AN ACT

RELATING TO BUILDING PERMITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Chapter 46, Hawaii Revised Statutes, is amended
2	by adding a new section to be appropriately designated and to
3	read as follows:
4	"546- Maintenance and repairs; group U structures;
5	remodeling; exemptions from building permit requirements. (a)
6	Notwithstanding any law to the contrary, the following shall be
7	exempt from the requirement to obtain any county permit when
8	located in areas outside of a special management area delineated
9	pursuant to chapter 205A:
10	(1) Repairs that involve the replacement of component
11	parts of existing work with like-for-like materials
12	for the purpose of maintenance, without regard to the
13	value of the materials or labor; provided that the
14	repairs do not involve any electrical, plumbing, or
15	mechanical installations;
16	(2) Group U occupancies that do not exceed one thousand
17	square feet; and

1	(3)	Interior remodeling that does not affect building
2		square footage or the number of rooms or bathrooms and
3		does not modify the location of rooms, walls, or
4		windows.
5	<u>(b)</u>	Notwithstanding subsection (a), an owner or occupier
6	Who inten	ds to:
7	111	Perform exempt repairs and maintenance on any dwelling
8		larger than three thousand square feet or structure
9		larger than five thousand square feet that has group
10		A, B, E, F, H, I, or M occupancy under the
11		International Building Code;
12	(2)	Install a structure larger than one thousand square
13		feet with group U occupancy; or
14	<u> </u>	Perform any interior remodeling work on an existing
15		structure,
16	shall prov	vide written notice to the appropriate county agency
17	about the	type of proposed work.
18	<u>(c)</u>	No work shall commence until the appropriate county
19	agency has	s determined that a building permit for the proposed
20	work is no	ot required to comply with federal, state, or county
71	floodelsi	monogomont domologomont grandauda akabukaa

1	ordinances,	codes,	or	requlations	pursuant	to	<u> Mational</u>	Flood

- Insurance Program requirements.
- 3 (d) The appropriate county agency shall certify the work
- 4 within thirty calendar days upon the receipt of the written
- 5 notice from the owner or occupier, pursuant to subsection (b).
- 6 (e) The applicable county fire department and county
- 7 building permitting agency may enter the property, upon
- 8 reasonable notice to the owner or occupant, to investigate
- 9 exempted work for compliance with the requirements of this
- 10 section.
- If entry is refused after reasonable notice is given, the
- 12 applicable county fire department or county building permitting
- 13 agency may apply to the district court of the circuit in which
- 14 the property is located for a warrant, directed to any police
- 15 officer of the circuit, commanding the police officer to provide
- 16 sufficient aid and to assist the county fire department or
- 17 county building permitting agency in gaining entry onto the
- 18 property to investigate exempted work for compliance, pursuant
- 19 to the requirements of this section.

₫.	(I) This section shall not apply to buildings, work, or
2	structures otherwise exempted from building permitting or
3	building code requirements by applicable county ordinance.
4	(q) This section shall not be construed to supersede
5	public or private lease conditions.
6	(h) The State and counties shall not be liable for claims
7	arising from the performance of work described in this section,
8	unless the claim arises out of gross negligence or intentional
9	misconduct by the State or the applicable county.
10	(i) This section shall not be construed to exempt any new
11	or existing buildings, structures, related appurtenances, or
12	other work from building permit requirements, underlying zoning
13	requirements, and other requirements of federal, state, or
14	county floodplain management development standards, statutes,
15	rules, ordinances, codes, or regulations, pursuant to National
16	Flood Insurance Program requirements.
17	(j) Any failure to comply with this section shall result
18	in penalties that are consistent with those imposed by the
L9	applicable county building permitting agency.
20	(k) As used in this section, "group U occupancy" includes
21	uninhabited structures, including but not limited to

H.B. NO. H.D. 1

- 1 agricultural buildings, aircraft hangars, accessory to a one- or
- 2 two-family residence, barns, carports, communication equipment
- 3 structures, fences, grain silos, livestock shelters, private
- 4 garages, retaining walls, sheds, stables, tanks, and towers."
- 5 SECTION 2. New statutory material is underscored.
- 6 SECTION 3. This Act shall take effect on January 1, 3000.

H.B. NO. 367 H.D. 1

Report Title:

County Permits; Special Management Areas; Exemptions

Description:

Allows for county permit exemptions for certain kinds of activities, including agricultural and maintenance activities. Effective 1/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JOSH GREEN, M.D. COVERNOR (NE KARAM

SYLVIA LUKE Lejtemus governor (ka kopekikāra





STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621 MONOLULU, HAWAII 96803

Testimony of DAWN N.S. CHANG Chairperson

Before the House Committee on HOUSING

Wednesday, February 12, 2025 9:00 AM State Capitol, Conference Room 430

In consideration of HOUSE BILL 367 RELATING TO BUILDING PERMITS

House Bill (HB) 367 proposes to allow building permit exemptions for certain kinds of activities listed in a newly created section within Hawaii Revised Statutes (HRS) Chapter 46. The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers the following comments and suggested amendments.

The Department expresses concern with the proposed provision to exempt from building permit requirements, "Interior remodeling that does not affect building square footage or the number of rooms or bathrooms and does not modify the location of rooms, walls, or windows".

The State and counties are participating communities in the National Flood Insurance Program (NFIP) and are subject to compliance with federal regulations set forth with the National Flood Insurance Act of 1968 (42 U.S.C. §§4001). Pursuant to 44 CFR §60.3, all proposed development and subdivisions encroaching within Special Flood Hazard Areas (SFHA) identified as "A" or "V" type flood zones on the Federal Emergency Management Agency's Flood Insurance Rate Maps must be reviewed for floodplain management compliance and issued a building and/or development permit prior to construction by the applicable community official.

DAWN N.S. CHANG CHAIRFERDH BOSED OF LAND AND KATURAL RESOURCES COMMERCH ON MATER ROSCRICE MANGEMENT

> RYAH K.P. KAMAKA-DLE DOST DEGISY

DEPUTY DESCRIPTION - WATER

BILLING MED OF EMANCERS AT THE BILLING MED OF COMMINISTERS AT THE BILLING SERVING SERV

Specifically, 44 CFR §60.3(c) mandates all "Substantial Improvements¹" comply with the permitting requirements which includes the community's assessment of whether proposed improvements² are subject to the substantial improvement provisions of county floodplain management regulations.

Any State or county law that is not consistent with the NFIP may jeopardize continued eligibility and participation in the program. *See* 44 CFR § 59.24. The unintended consequences of program suspension, include the following:

- No federal flood insurance can be sold or renewed in non-participating communities. The
 Federal government requires flood insurance for all buildings located in a SFHA secured with a
 federally backed loan.
- Certain forms of federal disaster assistance, including mitigation grants, will not be available in the event of a Presidential Disaster Declaration.

Furthermore, unregulated and/or noncompliant development within floodplains increase the risk to life and property from flooding.

The Department recommends Page 2 Lines 3 - 18 be amended to read as follows:

<u>"§46- Maintenance and repairs; group U structures; remodeling;</u> exemptions from building permit requirements.

- (b) Notwithstanding subsection (a) (1)-or, (a) (2) or (a) (3), an owner or occupier that intends to:
 - (1) Perform exempt repairs and maintenance on any dwelling larger than 3,000 square feet or structure larger than

[&]quot;Substantial Improvement" is defined as: "any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage", regardless of the actual repair work performed. The term does not, however, include either: (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or (2) Any alteration of a "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure"." (ref: 44 C.F.R § 59.1)

² Chapter 4 of FEMA Publication P-758 "Substantial Improvement (SI)/Substantial Damage (SD) Desk Reference" details the improvement costs that must be included in the community's SI/SD evaluation conducted during the building permit process. These costs include, but not limited to: material and labor, site preparation, demolition, construction debris removal, structural elements, exterior finishes, interior finishes, and utility/service equipment (ref; P-758 subchapter 4.4.1).

- 5,000 square feet that has group A, B, E, F, H, I or M occupancy under the International Building Code; or
- (2) Install a structure larger than 1,000 square feet with group U occupancy; or
- (3) Perform any interior remodeling work on an existing structure,

shall provide written notice to the appropriate county agency about the type of proposed work.

(c) No work shall commence until the appropriate county agency has determined and provided written notification that a building permit for the proposed work is not required to comply with county, state, or federal floodplain management development standards, ordinances, codes, statutes, rules, or regulations pursuant to National Flood Insurance Program requirements."

Mahalo for the opportunity to provide testimony on this measure.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

February 12, 2025

HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING

TESTIMONY ON HB 367 RELATING TO BUILDING PERMITS

Conference Room 430 & Videoconference 9:00 AM

Aloha Chair Evslin, Vice-Chair Miyake, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 367, which seeks to improve and clarify building permit exemptions for agricultural structures and maintenance activities. While HRS 46-88 already provides a building permit exemption for certain nonresidential agricultural and aquacultural structures, inconsistencies in implementation across counties and limitations in the scope of exemptions continue to pose challenges for farmers and ranchers.

Farmers and ranchers require functional infrastructure such as greenhouses, storage sheds, livestock shelters, irrigation systems, and fencing to maintain and expand their operations. However, despite the existing exemption, many agricultural producers still face delays, additional county requirements, and inconsistent interpretations of the law when seeking to construct or repair essential structures. Some maintenance and repair activities also remain subject to permitting requirements, adding administrative and financial burdens that divert time and resources away from food production.

HB 367 presents an opportunity to strengthen and clarify the application of existing exemptions, ensuring that all counties implement them consistently. If this measure expands the scope of exemptions to include additional types of structures or streamlines the approval process for maintenance activities, it would further support Hawai'i's agricultural industry by reducing unnecessary regulatory barriers.

Many states provide broad agricultural building permit exemptions, recognizing that these structures pose minimal risk to public safety and serve a critical role in supporting food production. Hawai i's farmers already face significant challenges, including high land and water costs, transportation, energy, expensive inputs, labor shortages, and competition from imported food. Streamlining building requirements for necessary agricultural

infrastructure will allow local farmers to invest in their operations, increase productivity, and contribute to the state's food security goals.

We urge the committee to pass HB 367 to ensure that agricultural building permit exemptions are applied fairly, consistently, and effectively across all counties, providing farmers and ranchers with the flexibility they need to maintain and expand their operations.

Thank you for the opportunity to testify on this measure.

LATE "Testimony submitted late may not be considered by the Committee for decision making purposes

GRASSROOT INSTITUTE OF HAWAII

1050 Bishop St. #508 Honolulu, Hi 96813 808-864-1776 Info@grassrootinstitute.org

Demontary harriers to Harrian's prespecti

Feb. 12, 2025, 9 a.m.

Hawaii State Capitol

Conference Room 430 and Videoconference

To: House Committee on Housing Rep. Luke Evslin, Chair Rep. Tyson Miyake, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: HB367 — RELATING TO BUILDING PERMITS

Aloha Chair Evslin, Vice-Chair Miyake and other members of the Committee,

The Grassroot Institute of Hawaii supports <u>HB367</u>, which would exempt certain work from requiring a county building permit.

Specifically, the bill would exempt from needing a permit the replacement of like-for-like work not affecting mechanical, electrical or plumbing installations; interior maintenance; and Group U occupancies — such as barns, sheds and greenhouses — that do not exceed 1,000 square feet.

Some wishing to install a Group U structure larger than 1,000 square feet or perform repairs and maintenance on dwellings larger than 3,000 square feet or other structures larger than 5,000 square feet would need to provide written notice to the appropriate county department.

HB367 also contains a provision specifying that this legislation does not affect county building permit exemptions that are or would be more expansive than the exemptions proposed by the bill.

This bill mirrors the state's existing permit exemption for certain agricultural structures.¹ Established by Act 114 (2012), this exemption allows farmers and ranchers to build barns, greenhouses, water tanks and similar

¹ "46-88 Agricultural buildings and structures; exemptions from building permit and building code requirements.," Hawaii Revised Statutes, accessed Feb. 7, 2025.

structures without going through the process of applying for a county building permit, subject to certain conditions.

Each county already has a list of work exempt from requiring a building permit,² but this legislation would set a statewide carve out for simple work, with the goal of allowing more people to do basic maintenance without waiting three months for a permit.

An added bonus of HB367 is that it would free county staff to focus on more complicated projects.

The bill would also address certain limitations of the current agricultural exemption. For example, the agricultural exemption applies only to parcels 2 acres or larger. For some smaller agricultural lots, using this avenue to quickly install a barn or greenhouse is a no-go.

One Hana resident found this out the hard way when the county told him he couldn't use the agricultural exemption to install four storage buildings on his 1-acre lot.³

Passing HB367 would be a step toward much-needed reform to the state and county permitting process.

Thank you for the opportunity to testify.

Ted Kefalas Director of Strategic Campaigns Grassroot Institute of Hawaii

² Jonathan Helton, "Seven low cost ways to speed up permitting in Hawaii," Grassroot Institute of Hawaii, Oct. 2024, pp 6-7.

³ Maur's Automated Planning and Permitting System, accessed Feb. 7, 2025. Search for 429 Keanae Rd.

					•
	·				
				•	
			,		•
	·				
		•			

STAND. COM. REP. NO. 162 Honolulu, Hawaii

FEB 14 , 2025

H.E. No. 367 RE: H.D. I

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 367 entitled:

"A BILL FOR AN ACT RELATING TO BUILDING PERMITS,"

begs leave to report as follows:

The purpose of this measure is to allow for building permit exemptions for certain kinds of activities, including agricultural structures and maintenance activities.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau and Grassroot Institute of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that the existing building permit requirements for minor repairs, interior remodeling, and certain uninhabited structures in the State can cause unnecessary delays and administrative burdens for property owners and developers. Many maintenance activities and small-scale projects, such as routine repairs or the installation of accessory structures, pose minimal risk and do not warrant an extensive permitting process. This measure is intended to streamline the process for property owners while ensuring compliance with safety and floodplain management standards by creating certain exemptions from building permit requirements. However, your Committee notes the concerns

raised in testimony by the Department of Land and Natural Resources that certain exemptions proposed by this measure may be inconsistent with the National Flood Insurance Program, which may have unintended consequences.

Accordingly, your Committee has amended this measure by:

- Clarifying that certain activities are exempt from obtaining any county permit, rather than only a county building permit, when located in areas outside of a special management area;
- (2) Requiring an owner or occupier who intends to perform any interior remodeling work on an existing structure to submit written notification to the appropriate county agency;
- (3) Specifying that the authority granted under this measure shall not be construed to exempt any new or existing buildings, structures, related appurtenances, or other work from underlying zoning requirements;
- (4) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (5) 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 367, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

STAND. CON. REP. NO. 762
Page 3

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

LUKE A. EVSLIN. Chair

State of Hawaii House of Representatives The Thirty-third Legislature

HOER 762

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB367	Committee Referral: HS4,5HA	Date:	2 12	25					
The examplitude is reconsidering its previo									
The recommendation is to: Pass, unumended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)									
HSG Members	Ауе	Ayes (WR)	Navs	Excused					
1. EVSLIN, Luke A. (C)									
2. MIYAKE, Tyson K. (VC)									
3. COCHRAN, Elle				V V					
4. GRANDINETTI, Tina Nakada	1								
5. KILA, Darius K.									
with districting Artistation and									
6. KITAGAWA, Lisa									
7. LA CHICA, Trish	7.43 3.34 3.44 3.44								
8. MURAOKA, Christopher L.									
9. PIERICK, Elijah	V								
	***************************************			-					
TOTAL (9)	8	0	0						
The recommendation is: If joint referral,									
Vice Chair's or designee's signature:									
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO									

A BILL FOR AN ACT

RELATING TO REMEDIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii is in a major housing crisis, which continues to worsen, and has been further 2 3 exacerbated by the impacts of the August 2023 Maui wildfires. Residents of Hawaii face the highest housing costs in the nation 4 5 and the median single-family home and condominium prices have more than tripled since the 1990s. A substantial contributing 6 7 factor to the high cost of housing is the cost of anticipated litigation and insurance requirements necessary to protect 8 9 against future claims, which disincentivizes the construction of 10 Developers or improvers of real property are required to 11 insure against deficiencies of improvements. The proliferation 12 of construction defect litigation results in increased housing prices directly, through passed-on insurance costs, and 13 indirectly, through lower levels of housing supply. This has 14 15 been exacerbated in recent years with the practice of filing 16 unrestricted construction defect complaints, which can be filed with no identified defect, and complaints that do not allow a 17

1	danatober of rubloner of legt blobelth to susbect of Lewedh
2	potential defects. This results in settlements that often do
3	not benefit the homeowner, higher insurance costs, and lower
4	housing production.
5	The legislature finds that the current language contained
6	in the Contractor Repair Act and the statute of repose have
7	failed in their purpose to assist the parties in the early
8	resolution of claims and provide a clear framework for
9	resolution of construction defect claims. The lack of clarity
10	has also reduced the effectiveness of these laws by making it
11	more difficult for all parties to resolve construction defect
12	disputes fairly, resulting in inconsistent rulings and
13	prolonging the dispute-resolution process.
14	Therefore, the purpose of this Act is to:
15	(1) Clarify the applicability of the statute of repose for
16	actions arising from construction defects;
17	(2) Specify that a plaintiff's failure to plead with
18	particularity the claim of fraudulent concealment, if
19	the plaintiff raises the defense, subjects the
20	plaintiff to liability for costs incurred by the
21	defendant;

1	(3)	Clarify the required contents of a notice of claim of
2	*	construction defect served on a contractor;
3	(4)	Amend the process and time frame for a claimant to
4		accept a contractor's offer to settle or inspect and
5		authorize the contractor to proceed with repairs:
6	(5)	Limit the amount a claimant can recover if the
7		claimant rejects a contractor's reasonable proposal
8		for inspection or a reasonable offer to remedy; and
9	(6)	Clarify the consequences of rejecting an offer of
10		settlement.
11	SECT	ION 2. Section 657-8, Hawaii Revised Statutes, is
12	amended to	read as follows:
13	"§ 6 5	7-8 Limitation of action for damages based on
14	constructi	ion to improve real property. (a) No action, whether
15	<u>in contrac</u>	ct, tort, statute, or otherwise, to recover damages for
16	any injury	to property, real or personal, or for bodily injury
17	or wrongfu	l death, arising out of any deficiency or neglect in
18	the planni	ing, design, construction, supervision and
19	administe	ing of construction, and observation of construction
20	relating t	o an improvement to real property shall be commenced
21	more than	two years after the cause of action has accrued, but

- 1 in any event [met] no more than ten years after the date of
 2 completion of the improvement.
- 3 (b) This section shall not apply to actions for damages
- 4 against owners or other persons having an interest in the real
- 5 property or improvement based on their negligent conduct in the
- 6 repair or maintenance of the improvement or to actions for
- 7 damages against surveyors for their own errors in boundary
- 8 surveys. [The term-"improvement" as used in this section shall
- 9 have the same-meaning as in scotion 507-41 and the phrase "date
- 10 of completion" as used in this section shall mean the time when
- 11 there has been substantial completion of the improvement or the
- 12 improvement has been abandoned. The filing of an affidavit of
- 13 publication and notice of completion with the circuit court
- 14 where the property is situated in compliance with section 507-
- 15 43(f) shall be prime facio evidence of the date of completion.
- 16 An improvement shall be deemed substantially complete upon the
- 17 earliest of the following:
- 18 (1) The issuance of a temporary certificate of occupancy;
- 19 (2) The issuance of a certificate of occupancy; or
- 20 (3) The filing of an affidavit of publication and notice
- 21 of completion within the circuit court of the judicial

1	circuit where the property is situated in compliance
2	with section 507-43(f).
3	If the improvement consists of multiple buildings or
4	improvements, each building or improvement shall be considered
5	as a separate improvement for purposes of determining the
6	limitations period set forth in this section.
7	(c) This section shall not be construed to prevent, limit,
8	or extend any shorter period of limitation applicable to
9	sureties provided for in any contract or bond or any other
10	statute, nor to extend or add to the liability of any surety
11	beyond that for which the surety agreed to be liable by contract
12	or bond.
13	$[\frac{(c)}{(d)}]$ Nothing in this section shall exclude or limit
14	the liability provisions as set forth in the products liability
15	laws.
16	(e) If a plaintiff invokes the doctrine of fraudulent
17	concealment to toll the limitation under subsection (a) and the
18	plaintiff fails to plead with particularity the claim of
19	fraudulent concealment, then the plaintiff shall be liable for
20	the costs incurred by the defendant, including attorneys' fees
21	and costs directly related to responding to the pleading.

1	(f) No action, whether in contract, tort, statute, or
2	otherwise, based on a violation of the applicable building code
3	shall be commenced unless the violation is a material violation
4	of the applicable building code.
5	(g) For purposes of this section:
6	"Date of completion" means the time when there has been
7	substantial completion of the improvement or the improvement ha
8	been abandoned.
9	"Improvement" has the same meaning as in section 507-41.
10	"Material violation" means a building code violation that
11	exists within a completed building, structure, or facility that
12	has resulted in physical harm to a person or significant damage
13	to the performance of a building or its systems; provided that,
14	without limiting the foregoing, it shall not be deemed a
15	"material violation" of an applicable building code if:
16	(1) The person or party that is alleged to have violated
17	the building code obtained the required building
18	permite;
19	(2) The local government or public agency with authority
20	to enforce the building code approved the plans;

1	_(3)	The construction project passes all required
2		inspections under the code; and
3	<u>(4)</u>	There is no personal injury or damage to property
4		other than the property that is the subject of the
5		permits, plans, and inspections, unless the person or
6		party knew or should have known that the material
7		violation existed during construction."
8	SECT	ION 3. Section 672E-3, Hawaii Revised Statutes, is
9	amended to	o read as follows:
10	"[[]]	\$672E-3[] Notice of claim of construction defect.
11	(a) A cla	aimant, no later than ninety days before filing an
12	action aga	ainst a contractor, shall serve the contractor with a
13	written no	otice of claim. The notice of claim shall [describe]:
14	(1)	State that the claimant asserts a claim against the
15		contractor for a construction defect in the design,
16		construction, or remodeling of a dwelling or premises;
17		and
18	(2)	Describe the claim, with particularity, specificity,
19		and in detail (and include the results of any testing
20	š.	done.] sufficient to determine the circumstances
21		constituting the alleged construction defect and

1	damages resulting from the construction defect. A
2	general statement that a construction defect may exist
3	shall be insufficient.
4	The notice of claim shall not constitute a claim under any
5	applicable insurance policy and shall not give rise to a duty of
6	any insurer to provide a defense under any applicable insurance
7	policy unless and until the process set forth in section 672E-5
8	is completed. Nothing in this chapter shall in any way
9	interfere with or alter the rights and obligations of the
10	parties under any liability policy.
11	(b) If available to the claimant, the claimant shall
12	provide to the contractor, with the notice of claim, actual
13	evidence that depicts the nature and cause of the construction
14	defect and the nature and extent of the repairs necessary to
15	repair the defect, including the following information if
16	obtained by the claimant: expert reports, photographs,
17	videotapes, and any testing performed.
18	(c) Each individual claimant or class member shall comply
19	with this chapter, which includes permitting inspection under
20	section 672E-4 of each dwelling or premises that is the subject
21	of the claim.

1 [+b+] (d) A contractor served with a written notice of 2 claim shall serve any other appropriate subcontractor with 3 notice of the claim. The contractor's notice shall include the 4 claimant's written notice of claim. 5 [(e)] <u>(e)</u> After serving the notice of claim, a claimant 6 shall give to the contractor reasonable prior notice and an 7 opportunity to observe if any testing is done." 8 SECTION 4. Section 672E-4, Hawaii Revised Statutes, is 9 amended to read as follows: 10 "§672E-4 Rejection of claim; opportunity to repair 11 construction defect. (a) The contractor rejects a claimant's 12 claim of construction defects by: 13 (1) Serving the claimant with a written rejection of the 14 claim: or 15 Failing to respond pursuant to subsection (b) (1) or (2) 16 (b) (2) [-] to the notice of claim within thirty days 17 after service. 18 (b) The contractor, within thirty days after service of the notice of claim, shall serve the claimant and any other 19 20 contractor that has received the notice of claim with a written 21 response to the alleged construction defect that:

1	(1)	Offers to settle without inspecting the construction
2		defect by:
3		(A) Monetary payment;
4		(B) Making repairs; or
5		(C) Both subparagraphs (A) and (B); or
6	(2)	Proposes to inspect the premises of the alleged
7		construction defect that is the subject of the claim.
8	(e)	Within thirty days following any proposal for
9	inspectio	n under subsection (b)(2), [the claimant shall provide
10	acces to	+) the claimant shall accept a contractor's proposal.
11	After acc	epting the contractor's proposal for inspection, the
12	<u>claimant</u>	and contractor shall agree on a time and date for the
13	inspectio	n, which shall occur within thirty days of the
14	claimant'	s acceptance of the contractor's proposal for
15	inspection	n, unless the claimant and contractor agree to a later
16	date. The	e claimant shall provide reasonable access to the
17	<u>dwelling</u>	or premises during normal working hours to:
18	(1)	Inspect the premises;
19	(2)	Document any alleged construction defects; and
20	(3)	Perform any testing required to evaluate the nature,
21		extent, and cause of the asserted construction defect.

1	and the nature and extent of any repair or replacement
2	that may be necessary to remedy the asserted
3	construction defect;
4	provided that if the claimant is an association under chapter
5	514B, the claimant shall have forty-five days to provide [euch]
6	access. If access to an individual condominium unit is
7	necessary, and the association is unable to obtain [euch]
8	access, then the association shall have a reasonable time to
9	provide access. If destructive testing is required, the
10	contractor shall give advance notice of tests and return the
11	premises to its pre-testing condition. If inspection or testing
12	reveals a condition that requires additional testing to fully
13	and completely evaluate the nature, cause, and extent of the
14	construction defect, the contractor shall provide notice to the
15	claimant of the need for additional testing. The claimant shall
16	provide additional access to the <u>dwelling or</u> premises. If a
17	claim is asserted on behalf of owners of multiple dwellings, or
18	multiple owners of units within a multi-family complex, the
19	contractor shall be entitled to inspect each of the dwellings or
2 0	units.

1	(4)	within fourteen days following the inspection and
2	testing,	the contractor shall serve on the claimant a written:
3	(1)	Offer to fully or partially remedy the construction
4		defect at no cost to the claimant. (Such) The offer
5		shall include a description of construction necessary
6		to remedy the construction defect and a timetable for
7		the completion of the additional construction;
8	(2)	Offer to settle the claim by monetary payment;
9	(3)	Offer for a combination of repairs and monetary
10		payment; or
11	(4)	Statement that the contractor will not proceed further
12		to remedy the construction defect.
13	<u>(e)</u>	Any offer of settlement under this section shall
14	reference	e this section, and shall state that a claimant's
15	fallure	to respond with a written notice of acceptance or
16	rejection	n within thirty or forty-five days, whichever applies
17	pursuant	to section 672E-5(a), shall mean that the offer is
18	rejected	. Failure to serve a written offer or statement under
19	this sec	tion shall be deemed a statement that the contractor
20	will not	proceed further."

1 SECTION 5. Section 672E-6, Hawali Revised Statutes, is 2 amended to read as follows: Ĭ "[4]§672E-6[4] Offer of settlement. (a) Any time after 4 the service of the notice of claim, any party may serve an offer 5 of settlement. (b) If the offer is accepted, the parties shall be deemed 6 7 to have resolved the claim in whole or in part pursuant to the 8 offer. 9 (c) An offer not accepted within the time period required 1Õ under section 672E-5, or ten days after service for any 11 subsequent offers, shall be deemed withdrawn and evidence 12 thereof is not admissible except to determine entitlement to 13 recovery of attorneys' fees and costs[+] and reasonableness of 14 the contractor's offer of settlement in subsection (d). 15 (d) If a claimant rejects a contractor's reasonable offer 16 of settlement, the claimant's cost of repair recovery shall be 17 limited to the reasonable value of the repair determined as of 18 the date of the offer and the amount of the offered monetary 19 payment. 20 (e) If the judgment or award obtained in a subsequent

proceeding is not more favorable than the offer[7] of

21

- I settlement, the offeree shall pay the costs incurred by the
- 2 offeror after the making of the offer[-] and the offeree shall
- 3 not be entitled to recover attorneys' fees and costs incurred
- 4 after the offer was made. The fact that an offer is made and
- 5 not accepted does not preclude a subsequent offer."
- 6 SECTION 6. Statutory material to be repealed is bracketed
- 7 and stricken. New statutory material is underscored.
- 8 SECTION 7. This Act shall take effect on July 1, 3000.

Report Title:

Contractor Repair Act; Notice of Claim; Inspection; Repair; Rejection of Claims; Limitations on Recovery; Statute of Repose

Description:

Clarifies the applicability of the statute of repose for actions arising from construction defects. Specifies that a plaintiff's failure to plead with particularity the claim of fraudulent concealment, if the plaintiff raises the defense, subjects the plaintiff to liability for the costs incurred by the defendant, including attorneys' fees and costs. Clarifies the required contents of a notice of claim of construction defect served on a contractor. Amends the process and time frame for a claimant to accept a contractor's offer to settle or inspect and authorize the contractor to proceed with repairs. Limits the amount a claimant can recover if the claimant rejects a contractor's reasonable proposal for inspection or a reasonable offer to remedy. Clarifies the consequences of rejecting an offer of settlement. Effective 7/1/3000. (HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

STAND, COM. REP. NO. 18

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 420 H.D. 2

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 420, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REMEDIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify the statute of repose to make it clear that it applies to contract, tort, and statutory claims, fraudulent concealment is not a defense with respect to the repose period, and require a violation of a building code to be material to be actionable;
- (2) Clarify the required contents of a notice of claim of construction defect served on a contractor;
- (3) Amend the process and time frame for a claimant to accept a contractor's offer to settle or inspect and authorize the contractor to proceed with repairs;
- (4) Limit the amount a claimant can recover if the claimant rejects a contractor's reasonable proposal for inspection or a reasonable offer to remedy; and

(5) Clarify the consequences of rejecting an offer of settlement.

Your Committee received testimony in support of this measure from the International Union of Operating Engineers Local 3; Hawai'i Regional Council of Carpenters; General Contractors Association of Hawaii; Holomua Collaborative; Hawaii Laborers & Employers Cooperation and Education Trust; Chamber of Commerce Hawaii; Mutual Housing Association of Hawai'i, Inc.; Malachi Cleaning, Inc.; Hawai'i Association of REALTORS; R. M. Towill Corporation; Paradigm Construction LLC; A-Plus Seamless Raingutters, Inc.; Z Contractors Inc.; KY International Inc.; Stanford Carr Development, LLC; Newport Pacific Cabinets, Inc.; Hawaii Operating Engineers Industry Stabilization Fund Political Action Committee; Building Industry Association of Hawaii; Hawai'i YIMBY; Sinclair Drywall, Inc.; Island Flooring; Castle & Cooke Homes Hawaii, Inc.; Tru-Door Hawaii; Vinyl Tech and Masonry, Inc.; Hawaii Fence Builders; Kapolei Chamber of Commerce; Gentry Homes, Ltd.; Housing Hawai'i's Future; D.R. Horton Hawaii; Commercial Sheetmetal Co., Inc.; Haseko Development, Inc.; Pacific Resource Partnership; and numerous individuals. Your Committee received testimony in opposition to this measure from LippSmith LLP; Palehua Townhouse Association; Kasdan Turner Thomson Booth, LLLC; AARP Hawai'i; and six individuals.

Your Committee finds that the lack of affordable housing in Hawaii has led to a crisis of increasing homelessness and migration of residents to the continental United States. Your Committee further finds the rising costs of insurance for developers and improvers of real property have contributed to the increased cost of housing and are a direct result of litigation for construction defects. This measure will deter broad and frivolous claims by requiring evidence of the defect and limiting recovery if an offer is unreasonably rejected.

Your Committee has amended this measure by:

- (1) Deleting language that barred the defense of fraudulent concealment;
- (2) Specifying that, if a plaintiff invokes the doctrine of fraudulent concealment to toll the limitation and the plaintiff fails to plead with particularity the claim of fraudulent concealment, then the plaintiff is liable for

the costs incurred by the defendant, including attorneys' fees and costs directly related to responding to the claim; 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 H.B. No. 420, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Judiciary & Hawaiian Affairs in the form attached hereto as H.B. No. 420, H.D. 2.

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

SCOT Z. MATAYO AI, Chair

State of Hawaii House of Representatives The Thirty-third Legislature

HSCR 787

Record of Votes of the Committee on Consumer Protection & Commerce

BWResolution No.: HB 420 , HD1	Committee Referral: HSG, CPC, JH	Date:	2/1	2/25
The committee is reconsidering its previ	ious decision on the measure.		·	
www.	And the state of t			
CPC Members	Ayes	Ayes (WR)	Nars	Excused
1. MATAYOSHL, Scot Z. (C)				
a chin com a dis				
2. CHUN, Cory M. (VC)				
3. ILAGAN, Greggor				
4. ICHIYAMA, Linda				
5. IWAMOTO, Kim Coco				
6. KONG, Sam Satoru		·		
7. LOWEN, Nicole E.			·	
/a Lamely make by				
8. MARTEN, Lisa				
9. TAM, Adrian K.				
10. PIERICK, Elljah				
		Ī		
TOTAL (10)			2	3
The recommendation is: 2 Adop If joint re	384	did not separa	i recommendation	k :
Vice Chair's or designee's signature: hisc hat				
Distribution: Original (White) - Committ	ee Duplicate (Yellow) – (Chief Clerk's Office	Doplicate (P	nk) – HMSO

A BILL FOR AN ACT

RELATING TO REMEDIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that the State is in a
- 2 major housing crisis, which continues to worsen, and has been
- 3 exacerbated by the impacts of the 2023 Maui wildfires.
- 4 Residents of the State face the highest housing costs in the
- 5 nation and the median single-family home and condominium prices
- 6 have more than tripled since the 1990s. A substantial
- 7 contributing factor to the high cost of housing is the cost of
- 8 anticipated litigation and insurance requirements necessary to
- 9 protect against future claims, which disincentivizes the
- 10 construction of homes. Developers or improvers of real property
- II are required to insure against deficiencies of improvements.
- 12 The proliferation of construction defect litigation results in
- 13 increased housing prices directly, through passed-on insurance
- 14 costs, and indirectly, through lower levels of housing supply.
- 15 This has been exacerbated in recent years with the practice of
- 16 filing unrestricted constructed defect complaints, which can be
- 17 filed with no identified defect, and complaints that do not

- 1 allow a developer or improver of real property to inspect or
- 2 remedy potential defects. This results in settlements that
- 3 often do not benefit the homeowner, increases insurance costs,
- 4 and lowers housing production.
- 5 The legislature finds that the existing language in the
- 6 Contractor Repair Act, codified in chapter 672E, Hawaii Revised
- 7 Statutes, and the statute of repose, section 657-8, Hawaii
- 8 Revised Statutes, have failed in their purpose to assist parties
- 9 in the early resolution of claims and provide a clear framework
- 10 for resolution of construction defect claims. The lack of
- 11 clarity has also reduced the effectiveness of these statutes by
- 12 making it more difficult for all parties to resolve construction
- 13 defect disputes fairly, resulting in inconsistent rulings and
- 14 prolonging the dispute-resolution process.
- 15 Therefore, the purpose of this Act is to:
- 16 (1) Clarify the statute of repose to make it clear that it
- 17 applies to contract, tort, and statutory claims,
- 18 fraudulent concealment is not a defense with respect
- 19 to the repose period, and require a violation of a
- 20 building code to be material to be actionable;

1	(2)	Clarify the required contents of a notice of claim of
2		a construction defect served on a contractor;
3	(3)	Amend the process and time frame for a claimant to
4		accept a contractor's offer to settle or inspect and
5		authorize the contractor to proceed with repairs;
6	(4)	Limit the amount a claimant can recover if the
7		claimant rejects a contractor's reasonable proposal
8		for inspection or a reasonable offer to remedy; and
9	(5)	Clarify the consequences of rejecting an offer of
10		settlement.
11	SECT	ION 2. Section 657-8, Hawaii Revised Statutes, is
12	amended to	o read as follows:
13	"§657	7-8 Limitation of action for damages based on
14	constructi	ion to improve real property. (a) No action, whether
15	in contrac	t, tort, statute, or otherwise, to recover damages for
16	any injury	to property, real or personal, or for bodily injury
17	or wrongfu	al death, arising out of any deficiency or neglect in
18	the planni	ing, design, construction, supervision and
19	administer	ring of construction, and observation of construction
20	relating t	o an improvement to real property shall be commenced
41		there are no a series who are no as a series has a series of the

- 1 in any event [not) no more than ten years after the date of
 2 completion of the improvement.
- 3 (b) This section shall not apply to actions for damages
- 4 against owners or other persons having an interest in the real
- 5 property or improvement based on their negligent conduct in the
- 6 repair or maintenance of the improvement or to actions for
- 7 damages against surveyors for their own errors in boundary
- 8 surveys. [The term "improvement" as used in this section shall
- 9 have-the-same-meaning-as-in-section-507-41 and the phrase "date
- 10 of completion" as used in this ecction shall mean the time when
- 11 there has been substantial completion of the improvement or the
- 12 improvement has been abandoned. The filing of an affidavit of
- 13 publication and notice of completion with the circuit court
- 14 where the property is situated in compliance with section 507-
- 15 43(f) whall be prime facte evidence of the date of completion.
- 16 An improvement shall be deemed substantially complete upon the
- 17 earliest of the following:
- 18 (1) The issuance of a temporary certificate of occupancy;
- 19 (2) The issuance of a certificate of occupancy; or
- 20 (3) The filing of an affidavit of publication and notice
- 21 of completion within the circuit court where the

1	property is situated in compliance with section
2	507-43(£).
3	If the improvement consists of multiple buildings or
4	improvements, each building or improvement shall be considered
5	as a separate improvement for purposes of determining the
6	limitations period described in this section.
7	(c) This section shall not be construed to prevent, limit,
8	or extend any shorter period of limitation applicable to
9	sureties provided for in any contract or bond or any other
10	statute, nor to extend or add to the liability of any surety
11	beyond that for which the surety agreed to be liable by contract
12	or bond.
13	(+c+) (d) Nothing in this section shall exclude or limit
14	the liability provisions as set forth in the products liability
15	laws.
16	(e) The doctrine of fraudulent concealment, as used for a
17	defense to statute of limitations, shall not apply to the
18	ten-year limitations period set forth in subsection (a).
19	(f) No action, whether in contract, tort, statute, or
20	otherwise, based on a violation of the applicable building code

18

19

20

shall be commenced unless the violation is a material violation 1 2 of the applicable building code. 3 (q) For the purposes of this section: "Date of completion" means the time when there has been 4 substantial completion of the improvement or the improvement has 6 been abandoned. 7 "Improvement" has the same meaning as in section 507-41. 8 "Material violation" means a building code violation that 9 exists within a completed building, structure, or facility that 10 has resulted in physical harm to a person or significant damage 11 to the performance of a building or its systems; provided that, 12 without limiting the foregoing, it shall not be deemed a "material violation" of an applicable building code if the 13 14 person or party that is alleged to have violated the building 15 code obtained the required building permits, the local 16 government or public agency with authority to enforce the 17 building code approved the plans, the construction project

passes all required inspections under the code, and there is no

personal injury or damage to property other than the property

that is the subject of the permits, plans, and inspections,

1	unless th	e person or party knew or should have known that the
2	material	violation existed during construction."
3	SECT	ION 3. Section 672E-3, Hawaii Revised Statutes, is
4	amended t	o read as follows:
5	"LEI	§672E-3[]] Notice of claim of construction defect.
6	(a) A cl	aimant, no later than ninety days before filing an
7	action ag	ainst a contractor, shall serve the contractor with a
8	written n	otice of claim. The notice of claim shall (describe):
9	(1)	State that the claimant asserts a claim against the
10		contractor for a construction defect in the design,
11		construction, or remodeling of a dwelling or premises;
12		and
13	121	Describe the claim, with particularity, specificity,
14		and in detail [and-include the results of any testing
15		denc-) sufficient to determine the circumstances
16		constituting the alleged construction defect and
17		damages resulting from the construction defect. A
18		general statement that a construction defect may exist
19		shall be insufficient.
20	The notice	e of claim shall not constitute a claim under any
21	applicable	s insurance policy and shall not give rise to a duty of

- I any insurer to provide a defense under any applicable insurance
- 2 policy unless and until the process set forth in section 672E-5
- 3 is completed. Nothing in this chapter shall in any way
- 4 interfere with or alter the rights and obligations of the
- 5 parties under any liability policy.
- 6 (b) If available to the claimant, the claimant shall
- 7 provide to the contractor, with the notice of claim, actual
- 8 evidence that depicts the nature and cause of the construction
- 9 defect and the nature and extent of the repairs necessary to
- 10 repair the defect, including the following information if
- 11 obtained by the claimant: expert reports, photographs,
- 12 videotapes, and any testing performed.
- 13 (c) Each individual claimant or class member shall comply
- 14 with this chapter, which includes permitting inspection under
- 15 section 672E-4 of each dwelling or premises that is the subject
- 16 of the claim.
- 17 [-{b}-] (d) A contractor served with a written notice of
- 18 claim shall serve any other appropriate subcontractor with
- 19 notice of the claim. The contractor's notice shall include the
- 20 claimant's written notice of claim.

1	[+++] [e] After serving the notice of claim, a claimant
2	shall give to the contractor reasonable prior notice and an
3	opportunity to observe if any testing is done."
4	SECTION 4. Section 672E-4, Hawaii Revised Statutes, is
5	amended to read as follows:
6	"§672E-4 Rejection of claim; opportunity to repair
7	construction defect. (a) The contractor rejects a claimant's
8	claim of construction defects by:
9	(1) Serving the claimant with a written rejection of the
10	claim; or
11	(2) Failing to respond pursuant to subsection (b)(1) or
12	(b) (2) [τ] to the notice of claim within thirty days
13	after service.
14	(b) The contractor, within thirty days after service of
15	the notice of claim, shall serve the claimant and any other
16	contractor that has received the notice of claim with a written
17	response to the alleged construction defect that:
18	(1) Offers to settle without inspecting the construction
19	defect by:
20	(A) Monetary payment:
21	(B) Making repairs; or

1	(C) Both subparagraphs (A) and (B); or
2	(2) Proposes to inspect the premises of the alleged
3	construction defect that is the subject of the claim.
4	(c) Within thirty days following any proposal for
5	inspection under subsection (b) {2}, the claimant shall [provide
6	access to: accept a contractor's proposal. After accepting the
7	contractor's proposal for inspection, the claimant and
8	contractor shall agree on a time and date for the inspection,
9	which shall occur within thirty days of the claimant's
10	acceptance of the contractor's proposal for inspection, unless
11	the claimant and contractor agree to a later date. The claimant
12	shall provide reasonable access to the dwelling or premises
13	during normal working hours to:
14	(1) Inspect the premises;
15	(2) Document any alleged construction defects; and
16	(3) Perform any testing required to evaluate the nature,
17	extent, and cause of the asserted construction defect,
18	and the nature and extent of any repair or replacement
19	that may be necessary to remedy the asserted
20	construction defect;

- I provided that if the claimant is an association under chapter
- 2 514B, the claimant shall have forty-five days to provide [such]
- 3 access. If access to an individual condominium unit is
- 4 necessary, and the association is unable to obtain [euch]
- 5 access, then the association shall have a reasonable time to
- 6 provide access. If destructive testing is required, the
- 7 contractor shall give advance notice of tests and return the
- 8 premises to its pre-testing condition. If inspection or testing
- 9 reveals a condition that requires additional testing to fully
- 10 and completely evaluate the nature, cause, and extent of the
- 11 construction defect, the contractor shall provide notice to the
- 12 claimant of the need for additional testing. The claimant shall
- 13 provide additional access to the dwelling or premises. If a
- 14 claim is asserted on behalf of owners of multiple dwellings, or
- 15 multiple owners of units within a multi-family complex, the
- 16 contractor shall be entitled to inspect each of the dwellings or
- 17 units.
- (d) Within fourteen days following the inspection and
- 19 testing, the contractor shall serve on the claimant a written:
- 20 (1) Offer to fully or partially remedy the construction
- 21 defect at no cost to the claimant. [Such] The offer

Ï		shall include a description of construction necessary
2		to remedy the construction defect and a timetable for
3		the completion of the additional construction;
4	(2)	Offer to settle the claim by monetary payment;
5	(3)	Offer for a combination of repairs and monetary
6		payment; or
7	(4)	Statement that the contractor will not proceed further
8		to remedy the construction defect.
9	(6)	Any offer of settlement under this section shall
10	reference	this section, and shall state that a claimant's
11	failure t	o respond with a written notice of acceptance or
12	rejection	within thirty or forty-five days, whichever applies
13	pursuant	to section 672E-5(a), shall mean that the offer is
14	rejected.	Failure to serve a written offer or statement under
15	this sect	ion shall be deemed a statement that the contractor
16	will not	proceed further."
17	SECT	ION 5. Section 672E-6, Hawaii Revised Statutes, is
18	amended t	o read as follows:
19	" [£]	§672E-6[] Offer of settlement. (a) Any time after
20	the servi	ce of the notice of claim, any party may serve an offer
21	of settle	ment.

Ĩ (b) If the offer is accepted, the parties shall be deemed 2 to have resolved the claim in whole or in part pursuant to the 3 offer. 4 (c) An offer not accepted within the time period required under section 672E-5, or ten days after service for any * 6 subsequent offers, shall be deemed withdrawn and evidence 7 thereof is not admissible except to determine entitlement to 8 recovery of attorneys' fees and costs [-] and reasonableness of 9 the contractor's offer of settlement in subsection (d). 10 (d) If a claimant rejects a contractor's reasonable offer 11 of settlement, the claimant's cost of repair recovery shall be 12 limited to the reasonable value of the repair determined as of the date of the offer and the amount of the offered monetary 13 14 payment. 15 (e) If the judgment or award obtained in a subsequent 16 proceeding is not more favorable than the offer $[\tau]$ of 17 settlement, the offeree shall pay the costs incurred by the 18 offeror after the making of the offer[-] and the offeree shall 19 not be entitled to recover attorneys' fees and costs incurred 20 after the offer was made. The fact that an offer is made and not accepted does not preclude a subsequent offer." 21

- 1 SECTION 6. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 7. This Act shall take effect on July 1, 2050.

Report Title:

Contractor Repair Act; Notice of Claim; Inspection; Repair; Rejection of Claims; Limitations on Recovery; Statute of Repose

Description:

Clarifies the applicability of the statute of repose for actions arising from construction defects. Clarifies the required contents of a notice of claim of construction defect served on a contractor. Amends the process and time frame for a claimant to accept a contractor's offer to settle or inspect and authorize the contractor to proceed with repairs. Limits the amount a claimant can recover if the claimant rejects a contractor's reasonable proposal for inspection or a reasonable offer to remedy. Clarifies the consequences of rejecting an offer of settlement. Effective 7/1/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

STAND. COM. REP. NO. 507

Honolulu, Hawaii

FEB 1 4 2025

RE: S.B. No. 179 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 179 entitled:

"A BILL FOR AN ACT RELATING TO REMEDIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that the Statute of Repose applies to contract, tort, and statutory claims, fraudulent concealment is not a defense with respect to the repose period, and require a violation of a building code to be material to be actionable;
- (2) Clarify the required contents of a notice of claim of construction defect served on a contractor;
- (3) Amend the process and time frame for a claimant to accept a contractor's offer to settle or inspect and authorize the contractor to proceed with repairs;
- (4) Limit the amount a claimant can recover if the claimant rejects a contractor's reasonable proposal for inspection or a reasonable offer to remedy; and
- (5) Clarify the consequences of rejecting an offer of settlement.

Your Committee received testimony in support of this measure from the Hawai'i Regional Council of Carpenters; Hawaii Laborers & Employers Cooperation and Education Trust; Stanford Carr Development, LLC; Hawai'i Association of REALTORS; Haseko Development, Inc.; TNH Plumbing, Inc.; Z Contractors Inc.; Raynor Hawaii Overhead Doors and Gates Inc.; Ohana Building Supply, Inc.; Paradigm Construction LLC; Gray, Hong, Nojima & Associates; Mutual Housing Association of Hawai'i, Inc.; Royal Contracting Co., Ltd.; A-Plus Seamless Raingutters, Inc.; Pacific Resource Partnership; International Union of Operating Engineers Local 3; R.M. Towill Corporation; Newport Pacific Cabinets, Inc.; Sinclair Drywall, Inc.; Ali'i Glass and Metal Inc.; Gentry Homes, Ltd.; Vinyl Tech and Masonry, Inc.; BIA Hawaii; D.R. Horton Hawaii; Ashford & Wriston, LLLP; Case Lombardi, ALC; Operative Plasterers' and Cement Masons' International Association Local 630, AFL-CIO; Hawai'i YIMBY; Holomua Collaborative; Laborers' International Union Local 368; Plumbers & Fitters Local 675; Kapolei Chamber of Commerce; KY International Inc.; and numerous individuals.

Your Committee received testimony in opposition to this measure from the Kasdan Turner Thomson Booth, LLLC; Law Offices of Philip S. Nerney, LLLC; LippSmith LLP; and one individual.

Your Committee finds that the Contractor Repair Act was originally designed to encourage a cooperative, good-faith process between builders and homeowners to address legitimate construction defects. However, the existing system has led to excessive legal claims against new developments, resulting in increased construction costs, higher insurance premiums, and more restrictive lending conditions, further adding to the State's housing shortage.

Your Committee finds that the misuse of the Contractor Repair Act has led to an increase in unnecessary litigation that discourages builders from undertaking new housing projects. Residents in the State depend on a stable and thriving construction industry, but when legal threats make development riskier and more expensive, it results in fewer job opportunities and greater economic uncertainty for local carpenters and tradespeople. This measure will help restore balance by ensuring that legitimate construction defects are addressed efficiently and promote fairness and stability in the construction industry. This

2025-1562 SSCR SMA.docx

measure intends to restore a fair dispute resolution process to resolve construction defect claims and promote a more sustainable and affordable housing market in Hawaii.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 179, S.D. 1, and be referred to your Committee on Judiciary.

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

DARRETT KEOHOKALOLE, Chair

The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee Referral: Date:				
SB179	CPN, JDC 2/1925				
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)		>			
FUKUNAGA, Carol (VC)					
MCKELVEY, Angus L.K.					
RICHARDS, III, Herbert M. "Ti					
AWA, Brenton				/	
TOTAL		3	1	/	
Recommendation:	/			<u> </u>	
Adopted Not Adopted					
Chair's or Designee's Signature: Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes

Hawaii Administrative Rules Proposed Amendment to HAR section 16-77-34 Definition of "Incidental and Supplemental" Work

DRAFT

February 21, 2025 CLB Meeting

Section 16-77-34 Work incidental and supplemental. (a) "Incidental and supplemental" work is defined as work in [other trades] a specialty classification that a contractor is not licensed to perform and that is subordinate to, directly related to, and necessary for the completion of the [project undertaken by a licensee pursuant to the scope of the licensee's license] specialty work in a specialty classification that the contractor is licensed to perform.

- (b) To qualify as "incidental and supplemental" work, the total combined cost or extent of the "incidental and supplemental" work must also represent less than a majority of the specialty work in a specialty classification that the contactor is licensed to perform, as measured in relation to the total cost or extent of the specialty work that the contractor is licensed to perform. Thus, the maximum percentage of "incidental and supplemental" work that can be performed by a contractor is fifty per cent, and this limitation applies regardless of whether the contractor is performing work under one or under multiple specialty licenses.
- (c) For purposes of this section "contractor " means a specialty contractor or a general contractor performing specialty work pursuant to a specialty license that the contractor is licensed to perform; "majority" means any amount greater than fifty per cent; and "less than a majority" means any amount equal to or less than fifty per cent.

SAH - Subcontractors Association of Hawaii

Century Square – 1188 Bishop St., Ste. 1003 Honolulu, HI 96813-3304 Phone: (808) 537-5619 Fax: (808) 533-2739

December 16, 2024

DEC 1 6 2024

DCCA - PVL

TESTIMONY TO:

Contractors License Board

Jerry Nishek, Chair

Department of Commerce and Consumer Affairs

PRESENTED BY:

Tim Lyons, CAE

President

SUBJECT:

Proposed Hawaii Administrative Rule Change

Section 16-77-34

Chair Nishek and Members of the Contractors License Board:

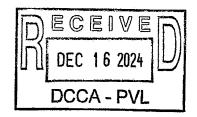
I am Tim Lyons, President of the Subcontractors Association of Hawaii, an organization that represents the following ten (10) specialty trade Associations. They include:

HAWAII ARCHITECTURAL GLASS AND METAL ASSOCIATION
HAWAII FLOORING ASSOCIATION
ROOFING CONTRACTORS ASSOCIATION OF HAWAII
HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION
ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII
TILE CONTRACTORS ASSOCIATION OF HAWAII
PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII
SHEETMETAL AND AIR CONDITIONING NATIONAL CONTRACTORS ASSOCIATION
PACIFIC INSULATION CONTRACTORS ASSOCIATION
PACIFIC INSULATION CONTRACTORS ASSOCIATION

Thank you for giving us the opportunity to testify.

Below are our revisions.

HAR 16-77-34



- *\$ 16-77-34 Work incidental and supplemental. (a) "Incidental and supplemental work" is defined as work in [other trades] any specialty classification that a contractor is not licensed to perform and that is subordinate to, directly related to, and necessary for the completion of [the project undertaken by a licensee pursuant to the scope of the licensee's license] the specialty work that the contractor is licensed to perform.
- (b) To qualify as incidental and supplemental work, [that work] the total combined value or extent of all incidental and supplemental work (1) must also represent less than a majority of the value or extent of specialty work that the contractor is licensed to perform, as measured in relation to the total cost or extent of the specialty work that the contractor is licensed to perform.
- (c) For purposes of this section, ["majority" means any amount equal to or greater than] the term "less than a majority" means any amount less than (2) fifty per cent.
- (d) For purposes of this section, incidental and supplemental work is intended to provide specialty contractors with a limited ability to perform work outside their license scope that has a minor role, and shall be narrowly interpreted so as to not contravene the overarching purpose of HRS 444 of protecting the welfare and safety of the general public (3).

Footnotes;

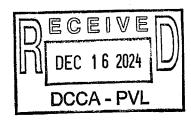
- (1) Add new language clarifying that the limitation on incidental and supplemental work applies to the total combined value or extent of all incidental and supplemental work, and not individually for each craft or trade being performed as incidental and supplemental work.
- (2) Clarifies the language to simplify the incidental and supplemental threshold term "less than a majority".
- (3) Add new language that states the incidental and supplemental work shall have a minor role and that the exception must be narrowly interpreted to preserve the overall intent of HRS 444, as referenced in the DC50 Supreme Court ruling.

Other:

This change will clarify that the maximum percentage of incidental and supplemental work that can be done by a specialty contractor is 50% of the value or extent of work the specialty contractor is licensed to perform. Effectively, this language would require that specialty contractors perform a minimum of 66.67% percentage of work on their project pursuant to their license. The remaining percentage can be performed as incidental and supplemental work, provided that it meets the requirements of being subordinate to, directly related to, and necessary for the completion of the specialty contractor's work.

Example:

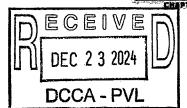
A specialty contractor gets a project with a value of \$300,000. If the specialty contractor's portion of the work is \$200,000, then the maximum incidental and supplemental work that can be performed by that contractor is 50% of \$200,000, or \$100,000.





December 23, 2024

Contractors License Board P.O. Box 3469 Honolulu, HI 96801 Via contractor@dcca.hawaii.gov



Re: Proposed Hawaii Administrative Rule Change of "Incidental and Supplemental" Work – HAR section 16-77-34

Aloha Chair Nishek,

My name is Kevin Hirayama, Executive Director of the Sheet Metal Contractors Association (SMCA). SMCA represents more than 30 union contractors in the State of Hawaii on all islands.

SMCA have some major concerns about the new language proposed to the Contractors Licensing Board for Incidental and Supplemental work (HAR section 16-77-34) as proposed.

SMCA strongly recommends the following revisions for the Contractors License Board to adopt for HAR Section 16-77-34.

HAR 16-77-34

*§ 16-77-34 Work incidental and supplemental. (a) "Incidental and supplemental work" is defined as work in [other trades] any specialty classification that a contractor is not licensed to perform and that is subordinate to, directly related to, and necessary for the completion of [the project undertaken by a licensee pursuant to the scope of the licensee's license] the specialty work that the contractor is licensed to perform.

(b) To qualify as incidental and supplemental work, [that work] the total combined value or extent of all incidental and supplemental work. (1) must also represent less than a majority of the value or extent of specialty work that the contractor is licensed to perform, as measured in relation to the total cost or extent of the specialty work that the contractor is licensed to perform.

(c) For purposes of this section, ["majority" means any amount equal to or greater than] the term "less than a majority" means any amount less than (2) fifty percent.

(d) For purposes of this section, incidental and supplemental work is intended to provide specialty contractors with a limited ability to perform work outside their license scope that has a minor role, and shall be narrowly interpreted so as to not contravene the overarching purpose of HRS 444 of protecting the welfare and safety of the general public (3).

Footnotes.

- (1) Add new language clarifying that the limitation on incidental and supplemental work applies to the total combined value or extent of all incidental and supplemental work, and not individually for each craft or trade being performed as incidental and supplemental work.
- (2) Clarifies the language to simplify the incidental and supplemental threshold term "less than a majority".
- (3) Add new language that states the incidental and supplemental work shall have a minor role and that the exception must be narrowly interpreted to preserve the overall intent of HRS 444, as referenced in the DC50 Supreme Court ruling.

Other:

This change will clarify that the maximum percentage of incidental and supplemental work that can be done by a specialty contractor is 50% of the value or extent of work the specialty contractor is licensed to perform. Effectively, this language would require that specialty contractors perform a minimum of 66.67% percentage of work on their project pursuant to their license. The remaining percentage can be performed as incidental and supplemental work, provided that it meets the requirements of being subordinate to, directly related to, and necessary for the completion of the specialty contractor's work.

Example: A specialty contractor gets a project with a value of \$300,000. If the specialty contractor's portion of the work is \$200,000, then the maximum incidental and supplemental work that can be performed by that contractor is 50% of \$200,000, or \$100,000.

Mahalo,

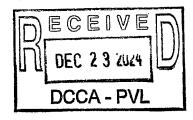
Kevin Hirayama, Executive Director

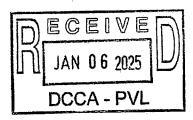
Sheet Metal Contractors Association (SMCA)

Sheet Metal Air Conditioning National Association Hawaii Chapter (SMACNA Hawaii)

1088 Bishop St #609

Honolulu, HI 96813





Testimony of Pacific Resource Partnership

Contractors License Board State of Hawai'i Jerry Nishek, Chair John Polischeck, Vice Chair

Proposed Amendments to HAR Section 16-77-34 - Redefining "Incidental and Supplemental work" Monday, January 6, 2025

Dear Chair Nishek, Vice Chair Polischeck, and Members of the Board,

Pacific Resource Partnership (PRP) is providing comments to the proposed amendments to Hawai'i Administrative Rules (HAR) §16-77-34 regarding the definition of "incidental and supplemental" work after receiving a request from the CLB to submit suggested language for consideration.

PRP represents more than 6,000 of Hawai'i's unionized carpenters and over 250 general contractors, collaborating with them to support economic growth, workforce development, public safety, and quality in construction practices.

Respectively, the proposed amendment is unnecessary and could undermine the clarity and stability of the regulatory framework governing contractor classifications. Below are PRP's key reasons for opposing this amendment:

- 1. Consistency with Established Law: The current definition of "incidental and supplemental" work under HAR §16-77-34 aligns with Hawai'i Supreme Court rulings in Okada Trucking Co. v. Board of Water Supply and District Council 50 v. Lopez (Aloha Glass). The Board's 2013 Final Decision following these rulings provides a clear and legally sound framework. Amending the rule risks creating unnecessary confusion and legal challenges.
- 2. Established Case-by-Case Process: The Board's case-by-case approach—as affirmed in its 2013 Final Decision — ensures a balanced consideration of factors such as cost, extent, and subordination of the work. This nuanced approach is preferable to a rigid, overly prescriptive rule that may fail to address the complexities of real-world construction projects.
- 3. Public Safety and Regulatory Certainty: Maintaining the current rule preserves the overarching purpose of Hawai'i Revised Statutes (HRS) Chapter 444: protecting public safety by ensuring that only qualified contractors perform specialized work. Any changes to the definition could inadvertently weaken these protections and introduce ambiguity into enforcement.



(Continued From Page 1)

- Support for Industry Stability: The construction industry thrives on regulatory predictability. The
 proposed amendment could disrupt this stability, creating uncertainty for contractors and other
 critical stakeholders.
- 5. Alignment with Industry Input: The current language reflects extensive consultation with industry stakeholders, so it is prudent to retain a definition that has broad industry support and aligns with judicial interpretations.

In conclusion, PRP urges the Board to preserve the existing definition of "incidental and supplemental" work under HAR §16-77-34. The current framework upholds legislative intent, protects public safety, and supports industry stability.

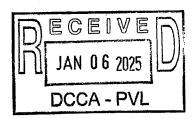
Mahalo for considering our testimony. We appreciate your commitment to Hawai'i's construction industry and the communities it serves.

Respectfully, Andrew Pereira

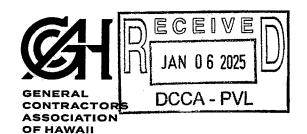
Director of Public Affairs

Pacific Resource Partnership

"People, Relationships, Promise"







January 6, 2025

TO:

JERRY NISHEK, CHAIR, JOHN POLISCHECK, VICE CHAIR,

CONTRACTORS LICENSE BOARD

SUBJECT:

COMMENTS ON PROPOSED AMENDMENT TO HAR SECTION 16-77-

34

Dear Chair Nishek, Vice Chair Polischeck and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

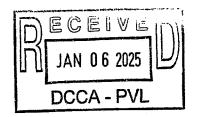
GCA provides comments to the proposed amendments to HAR section 16-77-34 regarding the definition of "incidental and supplemental" work. The GCA received a request from the Contractors License Board to submit suggested language for their consideration regarding the Board's proposed amendments to HAR section 16-77-34.

The Contractors License Board previously underwent the adoption of administrative rules to align the definition of "incidental and supplemental" with the District 50 vs Lopez decision. These rules intimately involved input from the construction industry and was recommended after unanimous approval by the Contractors License Board. The GCA supported those proposed rules and believes those rules concisely conforms to the Supreme Court's holding in the DC 50 case and the Board's Final Order Upon Remand, dated October 18, 2013.

After careful consideration, the GCA suggests the language unanimously approved by the CLB in 2017:

- §16-77-34 Work incidental and supplemental. (a) "Incidental and supplemental" is defined as work in other trades that is subordinate to, directly related to, and necessary for the completion of the [project undertaken by a licensee pursuant to] work of greater importance that is within the scope of the licensee's license (i.e., the primary work the contractor is licensed to perform).
- (b) In addition to subsection (a), to qualify as incidental and supplemental, that work must also represent less than a majority of the project (as measured in relation to the project's total cost or extent of the work).
- (c) For purposes of this section, "majority" means any amount greater than fifty per cent.





For clarification purposes, GCA removed the word "specialty" in subsection (a) in order to avoid confusing parties, mainly agencies, as to who can perform incidental and supplemental work and its application to specialty contractors as well as general contractors under their automatic "C" specialty licenses in accordance with Section 444-7, Hawaii Revised Statutes. Thus, GCA made the following change:

(a) "Incidental and Supplemental" . . . (i.e. the primary work the [specialty] contractor is licensed to perform).

Background regarding Incidental and Supplemental

Due to the Okada Trucking ruling in 2002, the term incidental and supplemental has been a topic of much debate in disputes regarding jurisdiction and the performance of work by a general contractor or a specialty contractor. Most recently this issue has been highlighted in the DC 50 case which underwent two requests for certiorari by the Hawaii Supreme Court and was sent back to the Board for clarification and implementation. Since then, there have been legislative proposals at the Hawaii State Legislature attempting to "quantify" what incidental and supplemental is in reference to; many times these proposals present a flawed analysis for an already complicated field of construction.

Incidental and supplemental is *currently* defined in Hawaii Administrative Rules 16-77-34 as "work in other trades directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license." The Board is attempting to formalize its Final Order upon Remand by amending the administrative rules as proposed and attempting to conform what the law has always been, recognizing the ability of the general contractor and subcontractor to perform work in which they are properly licensed to do. In the DC 50 case, the *Board's Final Order Upon Remand* (October 18, 2013) said,

"[b]ased on the Court's explanation, the Board reaffirms its longstanding interpretation that "A" general engineering and "B" general building contractors who hold specialty contractor's licenses that were automatically provided under HAR chapter 16-77 (such as a C-5 specialty contractor license), or obtained on their own, may perform other specialty contracting work that is 'incidental and supplemental' to the licensed specialty contracting work. In other words, general contractors are not prohibited under *Okada Trucking* from performing specialty contracting work outside of their specialty contractor licenses when that work is incidental and supplemental to work within the scope of their specialty contractor licenses. *Order* at 6."

Failed proposals introduced at the legislature attempting to amend what incidental and supplemental means haphazardly attempted to define the term by quantifying "incidental and supplemental" with a percentage. The Board has acknowledged in its Final Order Upon Remand, in subsequent court filings, and scope determinations that the Board will review inquiries on a case by case basis and apply a test that will consider whether such work is less than a majority of the project and is subordinate and in addition to licensed work of greater importance.



HAWAII REGIONAL COUNCIL OF CARPENTERS

November 22, 2024

TO:

Jerry Nishek, Chair

John Polischeck, Vice-Chair Contractors License Board

FROM:

Mitchell Tynanes

Market Development

Hawaii Regional Council of Carpenters

SUBJECT:

Opposition to Proposed Amendment to HAR section 16-77-34

Dear Chair Nishek, Vice Chair Polischeck and Members of the Committee.

My name is Mitchell Tynanes writing on behalf of the Hawai'i Regional Council of Carpenters, and we are <u>opposed</u> to the proposed amendments to HAR section 16-77-34 regarding the definition of "incidental and supplemental" work.

There is no compelling reason to redefine "incidental and supplemental" work. The Hawaii Supreme Court interpreted "incidental and supplemental" to mean *less than a majority* in the case District Council 50 v. Lopez, 129 Hawaii 281, 298 P.3d 1045 (2013) (emphasis added). The Contractors License Board then developed an industry standard that complies with the court's order. The current definition of "incidental and supplemental" as defined by the Contractors License Board's (hereinafter "Board") standard has been subsequently upheld by the circuit court and Intermediate Court of Appeals.

The Board adopted administrative rules to align the definition of "incidental and supplemental" with the District 50 vs Lopez decision and unanimously determined that to qualify as "incidental and supplemental" work, that work must be subordinate to, directly related to, and necessary for the completion of the work of greater importance that is within the scope of the licensee's license (i.e., the primary work the specialty contractor is licensed to perform), and that work must represent less than fifty percent of the project (as measured in relation to the project's total cost or extent).

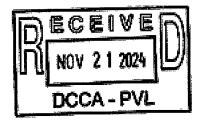
The Board's interpretation of "incidental and supplemental" work in its Board's Final Order (BFO) has subsequently been upheld by the circuit court and the Hawaii Intermediate Court of Appeals. Furthermore, in May 2016, the Hawaii Supreme Court rejected a petition for writ of certiorari that challenged the BFO. Thus, the BFO is the current standard in the construction

STATE HEADQUARTERS & BUSINESS OFFICES

industry. Since October 2013, the Board has consistently applied this standard to numerous scope of work inquiries.

There is no compelling reason to revise the definition of "incidental and supplemental" work.

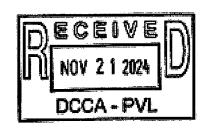
Mahalo for the opportunity to testify in opposition to the proposed amendments and for your consideration of our testimony.



CONTRACTORS ASSOCIATION OF KAUA'I

4231 Ahukini Road • Lihu'e, Kaua'i, Hawai'i 96766 Phone: (808) 246-2662 • Fax: (808) 246-8642





November 21, 2024

Testimony from the Contractors Association of Kaua'i Relating to Proposed Amendment to HAR Section 16-77-34

Chair Jerry Nishek and Members of the Contractors Licensing Board:

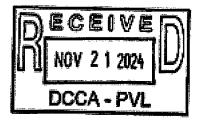
The Contractors Association of Kaua'i (CAK), a hundred member Kaua'i based construction trade association comprised of licensed contractors, suppliers and businesses affiliated with the construction industry is submitting testimony in OPPOSITION of the proposed draft amendment to HAR Section 16-77-34.

The association solicited input from our licensed contractor members and the overwhelming response was to oppose this amendment. They do NOT believe there is a compelling reason to change the HAR language regarding the definition of "incidental and supplemental" work.

Thank you for this opportunity to respond to the draft document and to provide testimony opposing this amendment.



November 22, 2024



TO:

JERRY NISHEK, CHAIR, JOHN POLISCHECK, VICE CHAIR,

CONTRACTORS LICENSE BOARD

SUBJECT:

OPPOSITION TO PROPOSED AMENDMENT TO HAR SECTION 16-77-

34

Dear Chair Nishek, Vice Chair Polischeck and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA is <u>opposed</u> to the proposed amendments to HAR section 16-77-34 regarding the definition of "incidental and supplemental" work.

The GCA opposes the proposed amendment because "incidental and supplemental" work has already been defined by the Contractors License Board and there is no compelling reason that the definition needs to be altered. "Incidental and supplemental" work that specialty contractors can perform has already been established by the Hawaii Supreme Court in District Council 50 v. 1.opez, 129 Hawaii 281, 298 P.3d 1045 (2013). The court interpreted "incidental and supplemental" to mean less than a majority. The Contractors License Board then developed an industry standard that complies with the court's order. The Contractors License Board standard has been subsequently upheld by the circuit court and ICA.

The Contractors License Board underwent the adoption of administrative rules to align the definition of "incidental and supplemental" with the District 50 vs Lopez decision. These rules intimately involved input from the construction industry and was recommended after unanimous approval by the Contractors License Board.

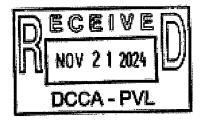
The proposed measure attempts to clarify "incidental and supplemental" work, but it is already understood that "incidental and supplemental" applies to specialty work. This definition has been thoroughly debated and adopted after years of discussion. However, these proposed amendments received different interpretations by industry professionals within the GCA. This could lead to unintended consequences that would ultimately raise the cost of construction and lead to protests.

Thank you for the opportunity to testify in opposition to the proposed amendments.

SAH - Subcontractors Association of Hawaii

Century Square - 1188 Bishop St., Ste. 1003 Honolulu, HI 96813-3304 Phone: (808) 537-5619 Fax: (808) 533-2739

November 22, 2024



TESTIMONY TO:

Contractors License Board

Jerry Nishek, Chair

Department of Commerce and Consumer Affairs

PRESENTED BY:

Tim Lyons, CAE

President

SUBJECT:

Proposed Hawaii Administrative Rule Change

Section 16-77-34

Chair Nishek and Members of the Contractors License Board:

I am Tim Lyons, President of the Subcontractors Association of Hawaii, an organization that represents the following ten (10) specialty trade Associations. They include:

HAWAII ARCHITECTURAL GLASS AND METAL ASSOCIATION
HAWAII FLOORING ASSOCIATION
ROOFING CONTRACTORS ASSOCIATION OF HAWAII
HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION
ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII
TILE CONTRACTORS PROMOTIONAL PROGRAM

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII
SHEETMETAL AND AIR CONDITIONING NATIONAL CONTRACTORS ASSOCIATION OF HAWAII
PAINTING AND DECORATING CONTRACTORS ASSOCIATION
PACIFIC INSULATION CONTRACTORS ASSOCIATION

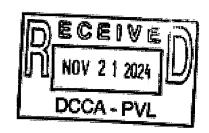
We partially support this amendment.

We have reviewed the amendment as notified on the agenda and at the very outset, we would like to congratulate the Board for tackling this "thomy" issue. We realize that it has been under a long time discussion frame and we appreciate the many hours of thought that have gone into it by both Board Members and industry.

We do believe however that the Board, contractors and the consuming public would be far better off in adopting your Section 16-77-34, Subsection (a) as a single item. In other words, we would prefer to see Subsections (b) and (c) deleted.

We are of the opinion that Subsection (a) correctly surmises the situation and allows for the best interpretation of the law. Further, we believe Subsection (b) and (c) only serve to confuse the issue further and we think your adoption will be ill-advised. Again, we realize that this is a very confusing area of the law which has a hard time being compatible with the actual practices in the industry.

Thank you.



Candace MY. Ito

From: Sent: Dean Nagatoshi «dean@pdcahawail.org»

Thursday, November 21, 2024 2:37 PM

To:

DCCA Contractor

Subject:

[EXTERNAL] Proposed Amendment to HAR section 16-77-34

Attachments:

HAR 16-77-34 DRAFT_10.25.24.pdf

CAUTION: This email originated from outside of Hawaii State Gov't / DCCA. Do not click links or open attachments unless you recognize the sender and are expecting the link or attachment.

Hi Candace.

Please find the attached draft of the above subject Amendment for reference.

The following amended language is acceptable.

16-77-34 Work Incidental and supplemental. (a) "incidental and supplemental work" is defined as work in <u>any specialty classification that a contractor is not licensed to perform and that is subordinate to</u>, directly related to, and necessary for the completion of specialty work that the contractor is licensed to perform.

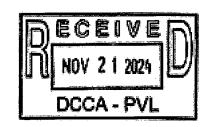
The additional language in (b) and (c) is not acceptable.

Thank you.

Dean M. Nagatoshi Executive Director

POCA of Hawaii PO Box 22597 Honolulu, Hawaii 95823-2597 Ph. 808-479-6825 dean@pdcahawaii.org | pdcahawaii.org





NOVEMEBER 22, 2024

TO:

JERRY NISHEK, CHAIR, JOHN POLISCHECK, VICE CHAIR,

CONTRACTORS LICENSE BOARD

SUBJECT:

OPPOSITION TO PROPOSED AMENDMENT TO HAR SECTION 16-77-

34

Dear Chair Nishek, Vice Chair Polischeck and Members of the Committee,

The Hawaii Island Contractors' Association (HICA) is an organization comprised of approximately one hundred (100) general contractors, subcontractors, and construction related firms. The HICA was established in 1958 and was formed to serve the needs of the building and construction industry of the entire Island of Hawaii.

HICA is <u>opposed</u> to the proposed amendments to HAR section 16-77-34 regarding the definition of "incidental and supplemental" work.

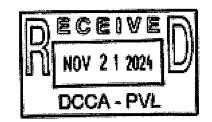
The HICA opposes the proposed amendment because "incidental and supplemental" work has already been defined by the Contractors License Board and there is no compelling reason that the definition needs to be altered. "Incidental and supplemental" work that specialty contractors can perform has already been established by the Hawaii Supreme Court in District Council 50 v. Lopez, 129 Hawaii 281, 298 P.3d 1045 (2013). The court interpreted "incidental and supplemental" to mean less than a majority. The Contractors License Board then developed an industry standard that complies with the court's order. The Contractors License Board standard has been subsequently upheld by the circuit court and ICA.

The Contractors License Board underwent the adoption of administrative rules to align the definition of "incidental and supplemental" with the District 50 vs Lopez decision. These rules intimately involved input from the construction industry and was recommended after unanimous approval by the Contractors License Board.

The proposed measure attempts to clarify "incidental and supplemental" work, but it is already understood that "incidental and supplemental" applies to specialty work. This definition has been thoroughly debated and adopted after years of discussion. However, these proposed amendments received different interpretations by industry professionals within the GCA. This could lead to unintended consequences that would ultimately raise the cost of construction and lead to protests.

Thank you for the opportunity to testify in opposition to the proposed amendments.

Testimony of Pacific Resource Partnership



Contractors License Board State of Hawai'i Jerry Nishek, Chair John Policheck Jr., Vice Chair

Proposed Amendments to HAR Section 16-77-34 — Redefining "Incidental and Supplemental work"
Friday, November 22, 2024

Aloha Chair Nishek, Vice Chair Policheck Jr., and Members of the Board,

Pacific Resource Partnership (PRP) represents the Hawai'i Regional Council of Carpenters, comprising over 6,000 union members and more than 250 general contractors. Our mission is to strengthen Hawai'i's construction industry and promote fair and effective policies that benefit our workforce and community.

PRP strongly opposes the proposed amendments to HAR Section 16-77-34, which seek to redefine the term "incidental and supplemental" work.

This definition has already been well-established by the Hawai'i Supreme Court in *District Council 50 v. Lopez* (2013) and reinforced by the Contractors License Board through a transparent process involving industry input. The current standard, based on these rulings, provides clear guidance that maintains industry stability and ensures consistency.

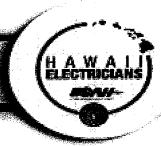
The proposed changes introduce ambiguity and differing interpretations, which could lead to unintended consequences such as increased construction costs, project delays, and potential disputes. These outcomes would undermine one of Hawai's's main economic drivers – the construction sector and, more importantly, hamper the building of affordable and workforce housing – initiatives that are crucial for addressing our state's housing crisis.

We respectfully urge the Board to reject the proposed amendments and maintain the current, well-defined standard for "incidental and supplemental" work.

Mahalo for the opportunity to submit written testimony.

Andrew Pereira
Director of Public Affairs

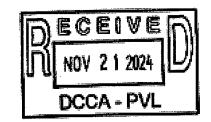




1935 HAU STREET, SUITE 475 • HONOLULU, HAWAII 96819 • PHONE (808) 846-2374 • FAX (908) 847-4596

November 21, 2024

State of Hawaii Contractors License Board Jerry Nishek, Chairperson John Policheck, Jr., Vice Chairperson Members of the Board



RE: Meeting on November 22, 2024, Agenda Item - Hawaii Administrative Rules

Dear Chair Nishek, Vice Chair Policheck, Jr., and Members of the Board:

Hawaii Electricians Market Enhancement Program (HEMEP) appreciates the work the Contractor's License Board (CLB) is doing to help clarify "incidental and supplemental" work in light of the court's decision in DC50 v. Lopez (2013).

At times, inaccurate interpretations in the field have resulted in "less than the majority" being construed as less than 50% of the total project. We support the CLB in clarifying that it is only intended to be "less than the majority" of the specialty work that a specialty contractor is performing; provided that it first be determined as "subordinate to", "directly related to", and "necessary for the completion", and specifically of the work of that specialty contractor.

HEMEP has concerns about Paragraph (a), and the use of the words 'any specialty classification that the contractor is not licensed...", because this could have unintended consequences in the field by being interpreted too broadly, and having specialty contractors stretch the limits of 'subordinate to, directly related to, and necessary', being applied to 'any' other specialty licenses. HEMEP recommends keeping the language 'other trades' or amending as 'limited other specialty work...". Placing a defined limit allows the contractor industry to recognize initial limitations and allows the CLB to continue to have discretion in what work meets all the elements of incidental and supplemental.

We look forward to this continuing process and offer any assistance the CLB requests. Thank you for accepting this testimony.

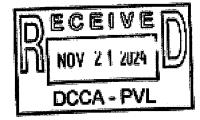
Respectfully Submitted.

Ryan Takahashi Director of Compliance



November 21, 2024

Contractors License Board P.O. Box 3469 Honolulu, HI 96801 Via contractor@dcca.hawaii.gov



Re: Definition of "Incidental and Supplemental" Work - HAR section 16-77-34

Aloha Contractors License Board members,

My name is Kevin Hirayama, Executive Director of the Sheet Metal Contractors Association (SMCA). SMCA represents more than 30 union contractors in the State of Hawaii on all islands.

SMCA have some major concerns about the new language proposed to the Contractors Licensing Board for Incidental and Supplemental work (HAR section 16-77-34) as proposed.

We would propose that that Contractors License Board remove "B and C" for the proposed amendment to HAR Section 16-77-34.

Mahalo.

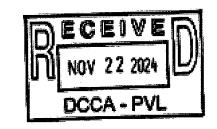
Kevin Hirayama, Executive Director

Sheet Metal Contractors Association (SMCA)

Sheet Metal Air Conditioning National Association Hawaii Chapter (SMACNA Hawaii)

1088 Bishop St #609 Honolulu, HI 96813





STATE CONTRACTORS LICENSE BOARD

Professional & Vocational Licensing Division Department of Commerce and Consumer Affairs Friday, November 22, 2024 9:00 A.M.

RE: Opposition to Proposed Amendment to HAR Section 16-77-34

Chair Nisek, Vice Chair Polischeck, and Members of the Board:

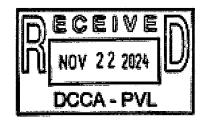
My name is Roseann Freitas, Chief Executive Officer of the Building Industry Association of Hawaii (BIA Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA Hawali is **opposed** to the proposed amendments to HAR section 16-77-34 regarding the definition of fincidental and supplemental work.

BIA Hawaii echoes the comments and concerns expressed by the General Contractors Association of Hawaii (GCA). "Incidental and supplemental" work has already been defined by the Contractors License Board and there is no compelling reason that the definition needs to be altered. "Incidental and supplemental" work that specialty contractors can perform has already been established by the Hawaii Supreme Court in <u>District Council 50 v. Lopez</u>, 129 Hawaii 281, 298 P.3d 1045 (2013). The court interpreted "incidental and supplemental" to mean less than a majority. The Contractors License Board than developed an industry standard that complies with the court's order. The Contractors License Board standard has been subsequently upheld by the circuit court and ICA.

Further, BIA Hawaii fears that the proposed amendments could be interpreted differently than intended by the Board and thus have the unintended consequence of making residential home construction more costly and putting home ownership out of the reach of more local families. The Board has not been presented with any <u>compelling data-supported reason</u> to change the current language of HAR section 16-77-34 that has been thoroughly vetted over time by both the CLB and the Courts. For these reasons, BIA Hawaii asks the Board to refrain from moving forward with the proposed measure.

Thank you for the opportunity to testify in opposition to the proposed amendments.



tel. 808-629-7501 fex. 808-629-7701 94:407 Akoli St. , 516:213 Waipshi, N 96797 grolleworsid.www. grolleworsided@chis

CONTRACTORS LICENSE BOARD DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS STATE OF HAWAII

In the Matter of the Petition for Declaratory Relief

CLB-DR-2006-2

of

BOARD'S FINAL ORDER UPON REMAND; EXHIBITS "A" AND "B"

DISTRICT COUNCIL 50 OF THE INTERNATIONAL UNION OF PAINTERS AND ALLIED TRADES and ALOHA GLASS SALES & SERVICE, INC.,

Petitioner.

CI 22 A III I

BOARD'S FINAL ORDER UPON REMAND

I. <u>INTRODUCTION</u>

On or about March 24, 2006, DISTRICT COUNCIL 50 OF THE INTERNATIONAL UNION OF PAINTERS AND ALLIED TRADES and ALOHA GLASS SALES & SERVICE, INC. (collectively, "DC 50") filed a Petition for Declaratory Ruling ("Petition") with the CONTRACTORS LICENSE BOARD ("Board"). The Petition centered around the 2005 award of a contract by the State of Hawaii ("State") to Allied Pacific Builders, Inc. ("Allied Pacific") to renovate the Lanakita Elementary School ("the Project"). Part of the Project involved the installation of 10,390 vinyl slats and 476 aluminum jalousie windows in 33 classrooms and 4 bathrooms, and DC 50 contested the award because Allied Pacific: (1) was licensed as a "B" general building contractor with a C-5 Cabinet, millwork, and carpentry remodeling and repairs contractor's license¹; (2) did not possess a C-22 Glazing and tinting contractor's license²; and (3)

I HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE IN THE DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS.

Pursuant to Exhibit "A" of Hawaii Administrative Rules ("HAR") chapter 16-77, the scope of the C-5 Cabines, millwork, and curpentry remodeling and repairs specialty contractor is as follows:

did not list a subcontractor with a C-22 license in its bid. DC 50 asserted that under the Hawaii Supreme Court's decision in Okada Trucking Co., Ltd. v. Board of Water Supply. 97 Haw 450, 40 P.3d 73 (2002), a "B" general building contractor cannot engage in "incidental and supplemental" work in trades or crafts in which it is not licensed, and the Petition sought a ruling that a "B" general building contractor cannot use its C-5 specialty contractor's license to engage in work requiring a C-22 specialty contractor's license.

At its April 21, 2006 meeting, the Board voted to refer the Petition to the Office of Administrative Hearings at the Department of Commerce and Consumer Affairs ("DCCA") to conduct a hearing on the matter.

On October 23, 2006, the Administrative Hearings Officer ("Hearings Officer") issued his Findings of Fact, Conclusions of Law, and Recommended Order ("HORO") in the matter. The Hearings Officer reviewed the scope of the C-5 license and the definition of the term "incidental and supplemental" in HAR section 16-77-34. The Hearings Officer determined that HAR section 16-77-34 does not define "incidental and supplemental" in terms of either the

[&]quot;To install cabinets, cases, sashes, doors, trims, or nonbearing partitions that become a permanent part of structure, and to remodel or make remirs to existing buildings or structures, or both; and to do any other work which would be incidental and supplemental to the remodeling or repairing. The repairs, carpentry work, or remodeling shall include the installation of window shutters, garage doors, bifold, and shutter doors; and the installation of manufactured sidings and any other work that would not involve changes or additions to the building's or structure's basic components such as, but not limited to, foundations, beams, rafters, joisss, or any load bearing members or sections." (Emphasis added).

Pursuant to Exhibit "A" of HAR chapter 16-77, the scope of a C-22 Glazing and tinting specialty contractor is as follows:

[&]quot;To glaze or tint frames, panels, sash, and doors. To assemble and install window wall and curtain wall, shower doors, tub enclosures, mirrors, metal windows and screens, metal sliding doors, metal jalousies, store from metal and trim, plustics, tempered glass doors; including items such as frames and hardware and any allied products not state above but affiliated with the glass and glazing industry."

Under HAR section 16-77-34, the term "incidental and supplemental" is defined as "work in other trades directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license." (Emphasis added).

extent or the cost of the work involved. Sec, page 4 of the HORO. After reviewing the scope of the jalousie window work on the Project, the Hearings Officer concluded that "the jalousie window replacement work [was] related to and necessary for the completion of the renovation work and as such, [was] therefore incidental and supplemental to the completion of the Project". Sec, page 4 of the HORO.

The Hearings Officer further determined that the jalousie window replacement work could be undertaken by either a C-22 specialty contractor or a C-5 specialty contractor; provided that the jalousic window work performed by a C-5 specialty contractor was "incidental and supplemental" to the renovation work for which the C-5 specialty contractor was licensed to perform. See, page 5 of the HORO. Accordingly, the Hearings Officer recommended that the Board deny DC 50's request for a declaration that a "B" general building contractor cannot use its C-5 specialty contractor's license to engage in work requiring a C-22 specialty contractor's license. See, page 6 of the HORO.

DC 50 filed exceptions to the HORO on November 9, 2006, and the State filed a statement in support of the HORO on November 29, 2006.

On January 19, 2007, the parties presented oral argument to the Board. After careful consideration, the Board voted to adopt the HORO as the Board's Final Order.

On February 16, 2007, DC 50 filed its Notice of Appeal of the Board's Final Order to the Circuit Court.

On September 12, 2007, the Circuit Court issued its "Decision and Order Affirming Board's Final Order, Filed January 22, 2007" ("CC Order"). The Court determined that the Okada Trucking case did not apply to DC 50's appeal, the Board has the authority to decide the scope of licensing under the C-5 and other specialty contractor classifications, and the Board has

consistently found that where a job requiring renovation work includes jalousie window work, the jalousie window work falls within the term "incidental and supplemental". See, page 3 of the CC Order. Furthermore, under existing case law, the Court deferred to the Board's determination of the scope of work that licensed general and specialty contractors may perform.

Id. Thus, the Court held that there was nothing to prohibit the Board from determining that jalousic window work representing 20 to 25% of the total project meets the definition of "incidental and supplemental" under HAR section 16-77-34, and affirmed the Board's Final Order. See, pages 3 and 4 of the CC Order.

On September 25, 2007, DC 50 appealed the CC Order to the Intermediate Court of Appeals ("ICA").

The ICA issued its memorandum opinion on July 26, 2012, and determined that DC 50 did not demonstrate how the Hearings Officer's or Board's application of the "incidental and supplemental" provision to the jalousie window work in question was clearly erroneous or inconsistent with the underlying legislative purpose. See, District Council 50 v. Lopez, 128 Hawai'i 128, *3, 284 P.3d 221, *3 (Haw. App. 2012). Accordingly, the ICA concluded that the Circuit Court did not err in affirming the Board's Final Order. 1d.

DC 50 filed an application for writ of certiorari with the Hawaii Supreme Court ("Supreme Court") on October 18, 2012. The Supreme Court accepted certiorari.

On April 17, 2013, the Supreme Court issued its Opinion and determined that the Board's decision was not inconsistent with the <u>Okada Trucking</u> decision. <u>See</u>, <u>District Council 50 v</u>. <u>Lopez</u>, 129 Hawai'i 281, 287, 298 P.3d 1045, 1051 (2013). However, the Court also determined that the Board's interpretation of "incidental and supplemental" was plainly erroneous under

The Court noted that while there is no specific funding to that effect, the record contained DC-50's <u>own</u> estimate that the jalousie window work represented 20 to 25% of the total project. <u>See</u>, page 4 of the CC Order.

HRS section 444-8(c) and was inconsistent with the Legislature's underlying purpose. <u>Id.</u> at 289, 298 P.3d at 1053. Thus, the Court vacated the judgment of the Circuit Court and ICA, and remanded the case back to the Board "to reconsider whether the jalousie window work qualified as 'incidental and supplemental' to the Project in light of the cost and extent of work involved". <u>Id.</u> at 292, 298 P.3d at 1056.

II. BOARD'S FINAL ORDER UPON REMAND

The Board discussed the Supreme Court's Opinion at its May 17 and July 19, 2013 meetings. Counsel for DC 50 was present at the July 19, 2013 meeting and provided comments to the Board. After careful consideration, the Board voted unanimously as follows:

A. Performance of "Incidental and Supplemental" Work by General Contractors

In its decision, the Supreme Court disagreed with DC 50's assertion that the <u>Okada Trucking</u> case prohibited general contractors from engaging in "incidental and supplemental" work in trades or crafts in which they are not licensed because the Court recognized that general contractors also hold specialty contractor licenses. The Court explained that:

"Okada Trucking's holding dictates only that a general contractor may not engage in work requiring a specialty license that the general contractor does not hold. . . . We did not foreclose the possibility of a specialty contractor completing work falling outside of their specialty license if that work was incidental and supplemental to licensed work, as provided for by HRS [section] 444-8(c). Here, the Board concluded that the jalousie window work qualified as 'incidental and supplemental' to Allied Pacific's C-5 specialty license. Therefore, pursuant to the Board's interpretation, the jalousie window work could be completed under the C-5 specialty license, and did not require a C-22 specialty glaziers license. The Board's decision was based on Allied Pacific's status as a C-5 specialty license holder, and not its status as a general "B" contractor. Because the Board determined that Allied Pacific could complete the jalousie window work under its C-5 specialty license, its conclusion did not violate our holding in Okada Trucking."

kd. at 289, 298 P.3d at 1053 (emphases added).

Based on the Court's explanation, the Board reaffirms its longstanding interpretation that "A" general engineering and "B" general building contractors who hold specialty contractor's license(s) that were automatically provided under HAR chapter 16-77 (such as a C-5 specialty contractor's license), or obtained on their own, may perform other specialty contracting work that is "incidental and supplemental" to the licensed specialty contracting work. In other words, general contractors are not prohibited under <u>Okada Trucking</u> from performing specialty contracting work outside of their specialty contractor licenses when that work is "incidental and supplemental" to work performed within the scope of their specialty contractor licenses. In those situations, they are acting as specialty contractors and not as general contractors.

B. New Test to Determine When Specialty Contracting Work is "Incidental and Supplemental"

The Court's decision also reviewed the definition and Board's interpretation of the term "incidental and supplemental". After consulting Black's Law Dictionary, the Court determined that the ordinary meaning of "incidental and supplemental" is "subordinate to something of greater importance and supplying something additional" (emphasis added). Id. at 290, 298 P.3d at 1054. The Court continued:

"Applying the ordinary meaning of 'incidental and supplemental' to HRS [section] 444-8(c), it is apparent that the legislature meant to provide specialty contractors with a limited ability to perform work outside of their licensed specialty area. However, the 'incidental and supplemental' work must not make up the majority of the project, and must instead be 'subordinate' and in addition to licensed work of 'greater importance'".

Id. (emphasis added). With respect to the Board's interpretation of "incidental and supplemental", the Court commented that:

"The Board's interpretation of its rules provides no limitation on the amount of specialty work that may be completed as incidental and supplemental to C-5 licensed work....For remodeling and repair projects falling under the purview of

a "B" general building contractor, the contractor may complete various types of work pursuant to its automatic C-5 specialty license. Under the Board's interpretation, if the contractor is qualified to complete <u>some</u> of the work under the C-5 license, the contractor may complete <u>any</u> other work that is 'related to and necessary for the completion of the project'".

Id at 291, 298 P.3d at 1055 (emphases added). Thus, the Court concluded that:

"[T]he Board's expansive interpretation of the 'incidental and supplemental' exception creates a loophole for C-5 contractors to complete unlimited amounts of specialty work for which they do not hold the requisite specialty licenses. The Board's refusal to consider cost and extent of work when determining whether that work qualifies as 'incidental and supplemental' is plainly erroneous in light of the clear meaning of HRS [section] 444-8(c)."

<u>Id</u> (emphases added). The Court further stated that:

"To protect the public health and safety, the Board's rules must ensure that fully qualified contractors are completing all <u>major work</u> involved in a particular project.

The Board's broad definition of 'incidental and supplemental' allows C-5 specialty contractors to complete <u>substantial amounts</u> of work for which they are unlicensed. A C-5 contractor may not possess the minimum level of expertise, experience, and training to complete this unlicensed work. If such work is poorly completed, it could present a grave risk to public health and safety. Because the Board's interpretation of 'incidental and supplemental' contravenes the manifest legislative purpose of the statute, it is entitled to no deference.

In creating the 'incidental and supplemental' provision in HRS [section] 444-8(c), the legislature crafted an exception for the completion of limited amounts of unlicensed work. This exception must be interpreted narrowly to preserve the statute's overarching purpose of protecting public safety by insuring that work is completed by fully competent contractors. In order to comply with this statutory provision, and the overall purpose of HRS chapter 444, the 'incidental and supplemental' exception to the C-5 license must be similarly limited. By allowing C-5 specialty contractors to complete all work related to and necessary for the completion of a renovation project, regardless of cost and extent, the Board is contravening the express purpose of HRS chapter 444."

[d. at 292, 298 P.3d at 1056 (emphasis in original and emphases added).

In light of the Supreme Court's Opinion, the Board acknowledges that the new test to determine whether specialty contracting work is "incidental and supplemental" requires a determination of whether such work is less than a "majority" of the project, and is "subordinate" and "in addition" to licensed work of "greater importance".

The Board notes that although the Court did not define the term "majority" in its decision, the term is generally defined in well accepted dictionaries as a number or percentage greater than half of a total. Sec. c.g., Black's Law Dictionary 1040 (9th ed. 2009). Consequently, the Board interprets the term "majority" in the Court's ruling to mean any amount greater than fifty per cent (50%).

The Board also acknowledges the Court's requirement that the "cost and extent" of the other specialty contracting work must be considered when determining if such work is "incidental and supplemental". As a result, the Board's consideration of the "cost and extent" of the other specialty contracting work will be factored into determining whether the work constitutes less than a "majority" of the project.

With respect to the requirement that the other specialty contracting work be "subordinate" and in addition to licensed work of "greater importance", the Board notes that these terms do not appear to be compatible with the construction industry because one type of contracting work is normally not characterized as being more important than another type of

Byen prior to the Supreme Court's Opinion, the Bourd (to the best of its recollection) has gaver allowed more than 50% of specialty contracting work outside of a specialty contractor's license to be considered "incidental and supplemental", and neither DC 50 nor the Court identified any contrary determination by the Board.

The Board disagrees with the Court's assertion that the Board refuses to consider the cost and extent of work when making an "incidental and supplemental" determination. The Board notes that the "cost and extent" of the other specialty comracting work is always taken into consideration in determining whether work is "incidental and supplemental" as long as that information is provided to the Board. In many instances, scope of work questions submitted by project owners, homeowners, and even other contractors do not specify any dollar amounts or percentages of work, and the Board is left to make a determination solely on the limited information that is provided to it.

See, footnote 6 above. The Board notes that if the cost and extent of work information is not provided, the Board will have to rely on its own expenses to determine the cost and extent of the work in question.

contracting work. Regardless, the Board determines that in general, the primary work involved on a construction project or in question will be considered to be of "greater importance" and other related work will be considered to be "subordinate".

The Board further notes that while the Court criticized the Board's application of the definition of "incidental and supplemental" in HAR section 16-77-34, the Court's decision did not expressly invalidate the Board's rule. Construing the Court's decision in conjunction with HAR section 16-77-34, the Board acknowledges that the other specialty contracting work must be "subordinate" and in addition to licensed work of "greater importance" and constitute less than a "majority" of the project under the Court's decision; however, the Board also agrees that such work must also be "directly related to and necessary for the completion of the project undertaken by a licensee pursuant to the scope of the licensee's license" under its rule.

In summary, the Board concludes that to qualify as "incidental and supplemental" work, that work must represent less than 50% of the project (as measured in relation to the project's total cost or extent), and the work must be subordinate to, directly related to, and necessary for the completion of the work of greater importance that is within the scope of the licensee's license (i.e., the primary work the specialty contractor is licensed to perform).

C. <u>Application of the New "Incidental and Supplemental" Test to the Lanakila</u> <u>Elementary School Project</u>

According to the record in this proceeding, the overall scope of the Project is only contained in the "Notice to Bidders" ("IFB") that DC 50 attached as Exhibit "2" to its Petition (which is attached to this "Board's Final Order Upon Remand" as Exhibit "A"), which provides in relevant part as follows:

"LANAKILA ELEMENTARY SCHOOL RENOVATE AND PAINT VARIOUS BUILDINGS D.A.G.S. JOB NO.52-16-5581

The work generally consists of <u>replacement</u> of windows, floor covering, tack boards, whiteboards, electrical light fixtures, switches, receptacles and cover plates, doors and door frames, finish hardware, termite damaged wood, gypsum wallboard partition, sinks and cabinets, re-keying of locks, interior and exterior painting, cast-in-place concrete repairs, concrete masonry, and some minor repair work."

See, attached Exhibit "A" (emphases added).

Based on the evidence presented by DC 50⁸, the Board again concludes, as it did in its original 2007 Board's Final Order, that the overall Project falls within the scope of the C-5 license⁹ because it involves remodeling and repair work to existing buildings or structures, and appears to be non-structural. Thus, a "B" general building or a C-5 Cabinet, millwork, and carpentry remodeling and repairs specialty contractor is licensed to bid on and act as the primary contractor on this renovation project.

The window work at issue in this matter was described in Section 08527 of the IFB, entitled "Aluminum Jalousie Windows" in Exhibit "2" of DC 50's Petition, which provides in relevant part as follows:

- "A. Provide aluminum jalousie windows as scheduled or required by renovation work.
- B. Fabrication and installation of jalousic windows shall be done by skilled and experienced mechanics to the best standard of the trade and in accordance with the approved shop drawings."

The Board notes that DC 50 only provided this excerpt on the overall scope of the Project and Section 08527 (the Aluminum Jalousic Window section) below. DC 50 failed to provide any other descriptions or excerpts for the other types of contracting work involved in the Project.

See, footnote 1 above. Contrary to DC 50's assertions, a C-5 licensee is a specialty contractor that has special skill in (among other things) remodeling and making repairs to existing buildings or structures, and this skill encompasses more than one specialized building trade or craft.

See, attached Exhibit "A" (emphasis added). The IFB also specified: (1) that the jalousie windows had to be aluminum "full surround" type only. (2) that the jalousie window slats had to be white vinyl, (3) the other types of materials to be used on the jalousies and frames (none of which involved glass), and (4) the method to install the jalousie windows. As described in the Court's decision, the Project involved the installation of 476 aluminum jalousie windows, containing approximately 10,390 vinyl slats¹⁰, and the estimated cost of the window work was \$372,875.00, which represented approximately 20% to 25% of the total Project cost. See, District Council 50, 129 Haw, at 283, 298 P.3d at 1047; and see also, the Supplemental Declaration of Edward Kunishi¹¹ in Exhibit "2" of DC 50's Petition (which is attached to this "Board's Final Order Upon Remand" as Exhibit "B").

At the outset, the Board questions the reliability of the \$372,875.00 and 20% to 25% figures as they were provided by DC 50 and represent the cost that DC 50 allegedly would have charged for the window work had it actually been selected as a subcontractor on the Project. Id. at 283, 298 P.3d at 1047; and see also, page 4 of the HORO, and attached Exhibit "B". The Board believes that the more reliable figures are the cost that the Project's low bidder, Allied Pacific, actually charged for the window work and the percentage of that cost in relation to Allied Pacific's overall bid¹². Unfortunately, these figures are not contained in the record.

Nevertheless, in accordance with the Court's decision, the Board applied the Court's new "incidental and supplemental" test to the cost and extent of work figures provided by DC 50.

The Board notes that these figures were provided by DC 50, and are not contained in any of the excerpts of the IFB that were submitted to the Board. <u>Sec.</u> page 4 of the HORO.

Edward Kunishi is the President of Petitioner Aloha Glass Sales & Service, Inc.

These figures would represent the true cost and percentage of the window work in relation to Alfied Pacific's bid.

First, a determination of whether the jalousie window work constitutes less than a "majority" of the Project must be made. According to Exhibit "3" of the Petition, Allied Pacific's overall bid to renovate the Project was \$1,258,000.00. Fifty percent of \$1,258,000.00 is \$629,000.00. DC 50's cost and extent of work estimate of \$372,875.00 is clearly less than \$629,000.00. In addition, DC 50's percentages of 20% to 25% are also clearly less than 50% of the overall Project cost. Consequently, the Board finds that DC 50's cost estimate and percentages of the jalousic window work are less than a "majority" of the total Project cost.

Next, the Board determines that the Project's overall remodeling and repair work to the school's existing buildings or structures was the work of greater importance (i.e., the primary work or the primary component) of the Project and thus, could be undertaken by a C-5 specialty contractor. The Board also concludes that the jalousic window work was subordinate to, and is directly related and necessary for, the completion of the work of greater importance that is within the scope of the C-5 license.

Furthermore, and as an entirely independent justification for the jalousic window work being performed by a C-5 licensee, the Board determines that although the Project required the fabrication and installation of the window frames and vinyl slats, this work could be undertaken by a C-5 licensee because of the method of window installation and the materials used, and that

this work is not within the exclusive jurisdiction of the C-22 license. Thus, the Board believes that either a C-5 or C-22 licensee could perform the jalousie window work on the Project.

Based on the foregoing, the Board concludes that in light of the cost and extent of work involved, the jalousic window work at issue is "incidental and supplemental" to the remodeling and repair work on the Project¹³ and thus, could be performed by a C-5 licensee.

DATED: Honolulu, Hawaii,	October 18 , 2013.
2000ans	lay Stard.
RANDALL B. C. LAU	GUY M. AKASAKI
Chairperson //	Vice-chairperson
	hat Baren
ANACLETO "Joey" ALCANTRA, JR.	LESLIE A. BOTELHO
Board member	Board member
Juno Kagan	Willen a. Kami
TYRUS KAGAWA	WILLIAM A. KAMAI
Board member	Board member
OHL	With 7. W.
PETER LEE	NATHAN T. KONISHI
Board member	Roard member
Kemin	Be Maken
KENT MATSUZAKI	ALDON K. MOCHIDA
Board member	Board member
1/2-	
JOHN POLISCHECK, JR.	DARYL SUEHIRO
Board member	Board member
GERALD YAMADA	

Board member

The Board notes that this determination is consistent with its prior determinations that a C-5 licensee can perform window work, including jalousies, on a remodeling or repair project. See, e.g., Minutes of the Board's March 18, 2005; January 21, 2005; February 21, 2003; October 18, 2002; and May 19, 2000 meetings that are attached as Exhibits to the May 19, 2006 "Respondent's Memorandum in Opposition to the Petition for Declaratory Relief".

EXHIBIT "A"

NOTICE TO SIDDERS

SEALED BIDS (Chapter 103D, HRS) For:

LANAKILA ELEMENTARY SCHOOL RENOVATE AND PAINT VARIOUS BUILDINGS D.A.G.S. JOB NO. 52-18-5581

Will be received at the Department of Accounting and General Services, Public Works Division Office, fourth floor of the Kalenimoku Building, Room 426, 1151 Punchbowl Street, Honolulu, Hawaii. Sealed Bid Forms, drawings, and specifications may be examined at or obtained (on compact disk or paper formst) from the Public Works Division office, Kalenimoku Building, Room 422. The solicitation documents may also be available in electronic format from the Department's website at:

http://www.hawail.gov/pwd/construction_bids

Submit the Competitive SEALED BID FORM up to 2:00 PM, <u>March 3, 2005.</u> At that time, blds will be publicly opened. Side received efter the due time and date will not be considered.

The work generally consists of replacement of windows, floor covering, tackboards, whiteboards, electrical light fidures, switches, receptacles and cover plates, doors and door frames, finish hardware, termite damaged wood, gypsum wallboard partition, sinks and cabinets, re-keying of locks, interior and exterior painting, cast-in-place concrete, concrete repairs, concrete masonry, and some minor repair work.

The estimated construction cost is between \$1 million and \$5 million.

All interested parties are invited to attend a voluntary pre-bid meeting and the State conducted site visit.

The pre-bid meeting and the accompanying State conducted site visit will be held at the LANAKILA ELEMENTARY SCHOOL Office, 717 N. Kualdni Street, Honolulu, Ht. February 15, 2005, at 9:00 a.m. The site visit will immediately follow the meeting.

This project is subject to Hawaii Products Preference (HAR §3-124 Subchapter 1). The Hawaii Products List may be examined at the State Procurement Office or online at www.hawaii.gov/spo/SPO/code/index_html.

To be eligible to submit a Bid, the Bidder must possess a valid State of Hawaii Contractor's floence classification B. For bids of \$25,000 or more, Bidders shall submit an "Intention to Bid".

Q.L

Refer to the GENERAL NOTICE for Department of Accounting and General Services, Public Works Division Projects, published with the project specifications for additional information.

RUSS K SAITS COMPTROLLER State of Hawaii

(Jan. 31, 2005)

SECTION 08527 - ALUMINUM JALOUSIE WINDOWS

PART 1 - GENERAL

YRAMMUS 10.1

A. Provide aluminum jalousle windows as scheduled or required by renovation work.

1.02 QUALITY ASSURANCE

- A. The Contractor shall visit the job site to verify the site conditions and dimensions prior to fabrication.
- B. Fabrication and installation of jalousie windows shall be done by skilled and experienced mechanics to the best standard of the trade and in accordance with the approved shop drawings.

1.03 SUBMITTALS

- A. Submit in accordance with SECTION 01330 SUBMITTAL PROCEDURES.
- B. Shop Drawings: Shop drawings showing each window condition, installation details and location of operators shall be submitted.
- C. Sample Mock-up:
 - A complete sample mock-up of the jalousie window, minimum size of approximately 18-inches wide x 16-inches high, together with manufacturer's technical specifications to the Contracting Officer for approval before installation.
 - Reference to a current sample in the Contracting Officer's office may be made in fieu of submittal of the sample mock-up provided such sample is exactly in accordance with the product to be furnished.
- D. Guaranty: Submit written guaranty as specified in paragraph entitled "GUARANTY" hereinbalow.

1.44 PRODUCT HANDLING

A. Provide adequate protection during fabrication, shipment, storage, assembly and erection to prevent damage to the jalousie window assembly and adjacent surfaces.

1.05 DRAWINGS AND SPECIFICATIONS

A. Should the products of the manufacturer require different drawings, details or other requirements, the Contractor shall provide shop drawings and field adjustments at no cost to the State.

1.06 GUARANTY

A. The Contractor shall execute to the State of Hawali a 2-year written guaranty warranting materials and workmanship against mechanical defects not due to improper use, willful damage or neglect and guarantying the free operation of the jalousies under normal Hawalian weather conditions. Repairs or replacement of defective equipment or parts as may occur within a period of 2 years from the date of final acceptance of the project shall be made at no cost to the State.

PART 2 - PRODUCTS

2.01 MANUFACTURERS

A. The indicated products of the following manufacturers are acceptable provided they meet the materials and construction specified hereinafter:

Alcha Visulte, Ltd.

"Visualite" 505 with

metal lever arm housing.

Hawaii Metal Forming

Series 801 with Visualite Corp. type lever operator.

International Window

Series 750 with 2002 lever

Corporation

operator.

2.02 MATERIALS AND CONSTRUCTION N

A. Jalousie windows shall be sturninum "full surround" type only.

- 8. Jalousie Window Frames: Extruded aluminum sections of 6063-T5 alloy. Frame members shall be not less than 2-1/2 inches deep and shall be 0.075-inch thick with an extrusion tolerance acceptable to the trade of plus or minus 0.006-inch. Minimum Jamb thickness at the clip attachment shall be 0.10-inch, and jamb shall be one continuous vertical piece.
- C. Pivot Cilps: One-piece 5052-H32 aluminum alloy, minimum 0.050-inch thick, center balanced type. Clips for vinyi stats shall be sized to permit the insertion of a 3/4-inch thick stall without rabbeting. Clips shall be spaced so that stats will overlap 1/2-inch.
- D. Push Bar: 6063-T5 aluminum alloy, 5/8-inch wide x 3/32-inch thick or 1/2-inch wide x 1/8-inch thick.
- E. Operator Lever Arm and Connecting Bar: Heavy duty type, 6061-T6 aluminum alloy other hard tempered aluminum alloy with minimum thickness of 1/8-inch or having lateral bending resistance equal or greater than that for specified units.
- F. Fasteners Connecting the Operator Lever Arm to the Operator Housing/Bracket:

 Where the fastener is supported on both sides of the lever arm by the
 operator housing/bracket, the fastener shall be a minimum 3/16-inch diameter
 rivet or boll (with nut).

- When the fastener is cantilevered off of the operator housing/bracket (supported on only one side), the fastener shall be a minimum 1/4-inch diameter rivet or bolt (with nut).
- Botted fasteners shall be mechanically secured such that operation of the lever arm will not loosen them. The use of fastening compounds such as "lock-tite" is not acceptable.
- Either the operator lever arm or the operator lever arm housing/bracket shall be detachable to allow repair or replacement.
- G. Fasteners Connecting the Lever Arm to the Connecting Bar and the Connecting Bar to the Push Bar. Minimum 3/16-inch diameter rivets or bolts (with nuts).
- H. Fasteners Connecting the Operator Lever Arm Housing/Bracket to the Jamb/Multion Frame: The operator lever arm housing/bracket, if not integral with the frame shall be secured to it with bolts and nuts with lock washers or lock nuts. Sheet metal screw shall not be used.
- I. Operator: Lever type. No more than 10 stats shall be operated by one lever. Operators located more than 6-feet above the finished floor shall have arms terminated with an eye or knob for operation by a pole. Locate at top of window when permanent obstruction is located below window.
- Rivets shall be of anodized aluminum and boits shall be of 300 series stainless steel.
- K. Poles: Hardened aluminum, having suitable length and stiffness to easily operate the lever, and terminating in either a hook or eye as required to operate the lever. Minimum sizes of poles shall be as follows:

Pole Thiolmens	Pole LD.	Wali Thickness
Up to 10-feet	3/4-inch	0.114-inch
Over 10-fact	One-Inch	0.113-inch

Poles with eyes shall be equal to Universal Molding Co. Part No. 697-6 and 697-6 or approved equal.

Poles with hook shall be equal to Universal Molding Co. Part No. 697-6 Hook and 6967-8 Hook as modified by Nobu's Glass Sales and Service or approved equal. Pole operators shall be provided one per classroom. A wall hanger shall be provided and installed for each pole.

L. Weather Stripping: Extruded plastic vinyl or maximum 7/16-inch wide strips of sheet steinless steel designed so that a weatherproof closure is attained on the sides of the window opening when stats are closed.

- M. Vinyl State: 4-inches wide x 3/4-inch thick, extruded PVC, with interlocking grooves and internet stiffening ribs. "8" blade design as furnished by RMA Sales Co., Inc., International, Coastal Windows or approved equal.
 - 1. Minimum slat wall thickness: 0.045-inch.
 - 2. Minimum stiffening rib thickness: 0.020-inch.
 - Approximate weight per foot: 5.5 ounces per lineal foot (without internal steel reinforcement).
 - PVC material shall be provided with an ultraviolet inhibitor and be fire retardant, self-extinguishing.
 - Slate shall have an integral flexible vinyl weatherstrip at each interlocking groove.
 - Injection moided PVC end caps shall be provided to completely close each end of the stat. The caps shall have tabs which when inserted into the end of the stat will prevent the cap from falling out or be glued in place as standard with the manufacturer.
 - Color of the blades shall be white, extending throughout the PVC material.
 - Internal steel reinforcement:
 - a. Slats longer than 36-inches but less than 48-inches in length shall be provided with a minimum of one internal steel reinforcing member fitted between the stiffening ribs nearest the middle of the stat.
 - Steel reinforcing members shall be electro-galvanized.
 - c. Internal steel members shall be of sufficient cross section and thickness such that when the stat is laid flat between 2 end supports, it shall be able to support a 40 pound weight suspended from its midspan with a maximum deflection of 7/8-inch (0.875-inch).
 - Each end of the stat shall be secured to the pivot clip with 2 aluminum or stainless steel sheet metal screws which are self-drilling and tapping ecrews.
- N. Finish: All aluminum parts, including frame, clips, rivets, lever, operator, push bar, screen frames, etc., shall be "clear" anodized to a minimum thickness of 0.0004-inch.
- O. Dissimilar Metals: Absolutely no dissimilar metals shall be used except as specifically permitted and spelled out in these plans and specifications.

- P. Screens Frames: Heavy-duty, rewireable type, 6063-75 extruded aluminum alloy, 7/8-inch by 7/16-inch with a minimum wall thickness of 0.062-inch. Corners shall be assembled using corner reinforcement. Screen frames 4-feet 6-inches in height and over shall have a horizontal spacer bar(s) having a similar section as that of the perimeter frame dividing the screen into equal sections. Screens shall be installed to permit quick and easy removal from the jaiousle frame. No mutilation of the screen or screen frames will be permitted in mounting the window operator. Screens shall be inside mounting type.
- Q. Screen Fabric: 14 x 18 mesh, fiberglass or aluminum alloy with an anodized finish. The mesh shall be held in place with rolled aluminum or vinyl splines as per the manufacturer's recommendation.
- R. Screen Frame Corner Reinforcement: Aluminum, of the type recommended by the manufacturer.
- S. Screen Retaining Fasteners: Aluminum, single wing type with steinless steel screws. Fasteners shall be provided near the corners and at a maximum of 16-inches on center around the periphery of the screen frame.
- T. Angles, Bars, Etc.: Anodized aluminum, 6083-T5 alloy.
- U. Anchors: As required to suit project conditions and as recommended by the window manufacturer. Stainless steel screws spaced at 18-inches on center shall be used to secure frames to concrete or masonry.

PART 3 - EXECUTION

3.01 INSPECTION

A. The Contractor together with the Contracting Officer shall examine the areas and conditions under which windows are to be installed. Should any condition be found unsuffable, no work shall be done until the unsatisfactory conditions have been corrected and are acceptable to the installer. Proceeding with work will imply acceptance of the conditions by the installer.

3.02 INSTALLATION

- A. Jalousie windows shall be installed in accordance with the manufacturer's instructions and recommendations.
- B. Frames shall be out to dimension, smooth, square, even and neat.
- C. Window frames shall be shimmed about 1/8-inch away from concrete or masonry walls. Cost aluminum surfaces in contact with concrete, masonry or dissimilar metals with bituminous paint or a factory recommended separator to prevent galvanic action. Care shall be taken in the application of bituminous paint or separators so that coating is not visible when installation is complete.
- D. Stats shall be cut to exact lengths (not short) to fit snugly into pivot clips. Clips shall not be bent out of alignment to accommodate short slats. Spaces exceeding 1/16-inch between the end of stat and the clip will be cause for rejection of the stat.

EXHIBIT "B"

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

DISTRICT COUNCIL 50, OF THE INTERNATIONAL UNION OF PAINTERS) CIVIL NO. 06-1-0113-01 BIA
AND ALLIED TRADES and ALOHA GLASS SALES & SERVICE, INC.) SUPPLEMENTAL DECLARATION OF DWARD KUNISHI
Plaintiffs,) }
V 8,)
RUSS K. SAITO, in his capacity as Director, Department of Accounting and General Services; PATRICIA HAMAMOTO, in her capacity as Superintendent, Department of Education; STATE OF HAWAII; JOHN DOES 1-10; JANE DOES 1-10; DOE CORPORATIONS 1-10; DOE PARTNERSHIPS 1-10; DOE GOVERNMENTAL AGENCIES 1-10, DOE TRUSTS 1-10,)))))))))))
Defendants.))

SUPPLEMENTAL DECLARATION OF EDWARD KUNISHI

- I, EDWARD KUNISHI, declare as follows:
- I am the President of Plaintiff ALOHA GLASS SALES & SERVICE, INC.
- Defendants solicited bids for a public works contract Lanakila Elementary
 School Renovate and Paint Various Buildings D.A.G.S. Job No. 52-16-5581 ("the Project").
- 3. Attached as Exhibit "J" are true and correct relevant excerpts of the Requirements and Specifications for the Project. The portions of the Project under Exhibit "J" requiring a C-22 glazing and tinting subspecialty license are those pertaining to Division 8 Doors and Windows, Section 08527, Aluminum Jalousie Windows (the "C-22 License Work").

- 4. The C-22 License Work is directly related to and necessary for the completion of the Project because approximately 33 school classrooms and 4 bathrooms require complete fabrication and installation of aluminum frames and vinyl stats. This includes the complete fabrication and installation of approximately 476 windows and 10,390 pieces of stats. If I were to do that C-22 License Work, I would estimate its value to be approximately \$372,875 of the entire approximate \$1.2 million awarded for the Project.
- 5. Hence, I estimate that the C-22 License Work represents between 20-25% of the total Project.
- 6. Attached to Plaintiffs' Motion for Preliminary Injunction Filed January 31, 2006, as Exhibit "A" are true and correct copies of the Tabulation of Bids and the "Listing Joint Contractors or Subcontractors" (the "Listing") for the Project prepared by the successful bidder of the Project. The Listing, however, fails to identify a C-22 subcontractor to perform the C-22 License Work.
- 7. I have read the State's Memorandum in Opposition ("Opposition") to our motion for preliminary injunction and have the following responses:
- a. Opposition, Page 5: I did not file a protest of the award to Allied because, under Chapter 103D-709, only bidders, offerors, contractors and governmental bodies aggrieved may file a protest. As a subcontractor who could not and did not actually bid on the Project itself other than as a subcontractor, I have no standing to file a protest. But I have a right to ask this Court to correct a violation of law.
- b. Opposition, Page 5: I have not yet filed a protest with the Contractors

 License Board because I have a right to bring a civil action before this Court to prevent the State

 from awarding and performing a public works contract in violation of law. Also, there is no

certainty that if I did file such a protest that the Contractors License Board would issue a decision in time to prevent this illegal contract. I know of nothing in the law which restricts my remedy to the administrative action of the Contractors License Board. Based on the "informal" non-binding letter attached to the State's Opposition, I have no confidence that the Contractors License Board would rule correctly under the law.

- can be performed by a "B" General building contractor using a C-5 specialty license. My
 C-22 license specifically authorizes me to "assemble and install window wall ..., metal
 windows and screens, ... metal lalousles...; including items such as frames and hardware and
 any allied products not stated above but affiliated with the glass and glazing industry...."
 Exhibit A to HAR Title 16, Chapter 77 (Exhibit "I"). This project specifically calls for the
 assembly and installation of metal windows and jalousies. Section 08527 of the "Requirements
 and Specifications" for the Project describes the "Aluminum Jalousie Windows" (Exhibit "J")
 includes the "fabrication and installation of lalousie windows" and describes the metal
 jalousie windows to be "aluminum", etc. This work is hardly incidental since it involves major
 installation of such windows throughout the project.
- d. Opposition, Page 5: It is incorrect for the State to claim that the C-22 License Work called for in this Project can be performed under a C-5 specialty license. As stated above, my C-22 license is specific as to the assembly and installation of "metal jalousies" and "metal windows". Nothing in C-5 includes such work. To allow a B contractor to do my C-22 work under a C-5 interpretation would emasculate C-22, would require the general description of C-5 work to illogically supercede the specific language of a C-22 license, and would be contrary to the spirit and intent of the law and Okada Trucking.

C-22 work under a C-5 interpretation would emasculate C-22, would require the general description of C-5 work to illogically supercede the specific language of a C-22 license, and would be contrary to the spirit and intent of the law and <u>Okada Trucking</u>.

e. Opposition, Page 6: I have read the DOE letter of January 10, 2006. To claim that the Project's metal window jalousies comprise less than 1% of the total Project is factually incorrect. As stated above, it represents 20-25% of the Project.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this day of 16 February 2006, Kahului, Hawai'i.

EDWARD KUNISHI