**Legislative Report 2024**

By: Tim Lyons ~ Subcontractors Association of Hawaii, Legislative Liaison

Someone remarked to me the other day, after I gave a legislative report, that it seemed an awfully quiet session for SAH.  I knew it wasn't with bills flying left and right but when I looked at the "passing" results, I had to agree.  The effort, of course, was spent on monitoring and killing bills so it seems proper to report on some of those.  Feel free to share any part of this with your Boards so they know we have been working and those monthly breakfast meetings are worth your time.

Unlicensed contractors.  A bill was in to increase the penalty for unlicensed activity to $10,000 for unlicensed actions in disaster areas.  Passed the House but died in the Senate.  Current penalty is maxed at $5000 but can go higher if the customer is elderly.  We supported but the feeling in the Senate was that there will be a lot of unlicensed activity in Lahaina.  Public Defenders office supported unlicensed as "option".

Right to Repair.  All residential contracts must have the Right to Repair language in the contract.  Apparently, some projects are being held up over the provisions of this law and accompanying lawsuits.  The bill, inspired by BIA, was to revise the language to require the homeowner to provide "actual evidence" of faulty workmanship.  The Senate felt this was too much of a burden for the average homeowner.

Construction Waste.  Bill to require recycling and another to give bidders a preference if they used recyclable materials.  Issue was what if the bidder is basically a bad guy but uses qualifying materials and gets the job?  Also, where and how does the material get sorted?

County Labor Standards.  One of our bigger victories.  Would allow the county to enforce state labor law including suspending or canceling a building permit.  Bill made it all the way to within 4 days of the closing.   We opposed this as the bill made no reference to the severity of the labor law violation.  Besides, most county building guys don't know much about state labor law.

Of general interest......

Family leave did not pass.  Versions include one to have the employee and employer pay and another for only the employer to pick up the tab.  SAH's position is that if this is to become law, employers with a collectively bargained pension plan for some or all of it employees, should be exempt.

State Retirement Plan.  Passed in 2023 but the error on the part of AARP was to require the employee to opt in.  This would have said if the employee is not covered by a plan, then they are automatically in unless they opt out.

Estate tax relief for family-owned business.  Lessen the tax load for transfer of the assets.  Died.

State and County Procurement Code.  Why is that we develop a system to achieve fairness in expending taxpayer money but then just about every agency that falls under the Code wants out?

Bill to up the small purchase threshold for applying the Code from the current $25,000 to $50,000.  We opposed as even small purchases should be treated fairly.

Another bill we did not jump on until it was almost too late was a bill to allow for "alternative bidding" instead of using the Code.  Turns out to be a DOT bill. We opposed it because we don't know what "alternative bidding" is and none of the testimony or hearings ever explained what it imagined to be.  The immediate impact would be to get around the subcontractor listing law.  Also killed within hours of adjournment.

Building Code.  A bill to increase the adoption cycle to every 6 years instead of 3.  Further, to allow the Counties to adopt their own version (4 County Codes??).  FEMA money would not get distributed with a 6 year code as they said it would not be current.

CLB Incidental and Supplemental.  A yearly attempt to challenge the Contractors License Board opinion that anything 49% and under qualifies as incidental.  Some trades think it should be 5%.  This is one of those that looks good, then looks bad with different scenarios.  Died.

Electric vehicles.  A bill to charge the highway tax using a mileage-based system.  Electric car owners currently get out of the tax since it is charged at the pump where they do not go.  Bill died.  Study to figure it out died too.

PASSING

A lot did pass and some of you will think is good but personal income tax, GET on Medicare payment and Lahaina fire relief are not our areas.

A GCA bill did finally pass this year, after dying in the last few hours of the session last year, to reform the protest bond law to allow for a refund of the bond, minus administrative costs, if you win your protest.  Current law is you lose the bond, win or lose.

Also passing is an amendment to the owner builder provision in the license law to allow an unlicensed contractor builder to construct a home even if he intends to lease it.  Current law is that the exemption from a license is only applied if they are going to use the home for their own family.  Based on the housing shortage, this law passed.

So, as we reported up front, for us, more died than passed but we generally regard that as GOOD.