

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii
Sir:

Your Committee on Intrastate Commerce, to which was referred H.B. No. 1126 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS,"

begs leave to report as follows:

The purpose of this measure is to establish the operating budget for the fiscal biennium beginning July 1, 2019, and ending June 30, 2021, for the professional and vocational licensing program of the Department of Commerce and Consumer Affairs.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that the professional and vocational licensing program currently has an unencumbered cash balance of \$7,981,618. In addition, your Committee is also concerned that multiple funds under the control of the Department of Commerce and Consumer Affairs have cash balances that are significantly larger in comparison to the amount of money paid out from the funds in any given year.

Currently:

- (1) The contractors recovery fund has an unencumbered cash balance of \$922,593;
- (2) The contractors education fund has an unencumbered cash balance of \$560,524;
- (3) The real estate recovery fund has an unencumbered cash balance of \$870,665;
- (4) The real estate education fund has an unencumbered cash balance of \$786,881; and
- (5) The condominium education fund has an unencumbered cash balance of \$2,184,889.

By comparison, your Committee finds that:

- (1) The largest payout from the contractors recovery fund in the last ten years was \$170,893;
- (2) The largest payout from the contractors education fund in the last four years was \$5,105;
- (3) The largest payout from the real estate recovery fund in the last ten years was \$131,799;
- (4) The largest payout from the real estate education fund in the last four years was \$602,099; and
- (5) The largest payout from the condominium education fund in the last four years was \$607,819.

Accordingly, your Committee has amended this measure by:

(1) Providing for the reduction or cessation of fees or interest to be paid into the contractors recovery fund, contractors education fund, real estate recovery fund, real estate education fund, and condominium education fund, once those respective funds attain the following amounts:

- (A) For the contractors recovery fund, \$170,893;
- (B) For the contractors education fund, \$5,105;
- (C) For the real estate recovery fund, \$131,799;
- (D) For the real estate education fund, \$602,099; and
- (E) For the condominium education fund, \$607,819;

(2) Amending the amount of trust funds appropriated for CCA105 - Professional and Vocational Licensing, from \$2,649,812 for each fiscal year of the biennium to \$2,659,812 for each fiscal year of the biennium;

(3) Establishing criteria to determine the amounts to be assessed for fees and expenses regulated under title 25, Hawaii Revised Statutes; and

(4) 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 Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1126, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on
Intrastate Commerce,

TAKASHI OHNO, Chair