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# A BILL FOR AN ACT

RELATING TO CONTRACTORS.

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

1           SECTION 1. Chapter 444, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:  
4           "§444-     Registration required; handyman. (a) No person  
5 shall perform work, described under the definition of  
6 "contractor" in section 444-1, as a contractor who is exempted  
7 from this chapter for any project or operation under section  
8 444-2(4), without registering with the contractors license board  
9 in lieu of obtaining a license under section 444-9.  
10           (b) Registration under this section shall be on forms  
11 provided by the board, and shall include, at a minimum, the  
12 following information, which shall be updated from time to time  
13 to reflect changes:  
14           (1) Name, address, and phone number of the person and the  
15           person's company; and  
16           (2) Proof of a state general excise tax license.  
17           (c) The registration under subsection (a) shall be  
18 renewable at periods as determined by the board."



1 SECTION 2. Section 444-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§444-2 Exemptions.** This chapter shall not apply to:

- 4 (1) Officers and employees of the United States, the  
5 State, or any county while in the performance of their  
6 governmental duties;
- 7 (2) Any person acting as a receiver, trustee in  
8 bankruptcy, personal representative, or any other  
9 person acting under any order or authorization of any  
10 court;
- 11 (3) A person who sells or installs any finished products,  
12 materials, or articles of merchandise that are not  
13 actually fabricated into and do not become a permanent  
14 fixed part of the structure, or to the construction,  
15 alteration, improvement, or repair of personal  
16 property;
- 17 (4) Any project or operation for which the aggregate  
18 contract price for labor, materials, taxes, and all  
19 other items is not more than [~~\$1,000.~~] \$3,500. This  
20 exemption shall not apply in any case where [a]:  
21 (A) A building permit is required regardless of the  
22 aggregate contract price [~~, nor where the~~];



1            (B)   The undertaking is only a part of a larger or  
2                    major project or operation, whether undertaken by  
3                    the same or a different contractor [~~or in which~~  
4                    a]; or

5            (C)   A division of the project or operation is made in  
6                    contracts of amounts not more than [~~\$1,000~~  
7                    \$3,500 for the purpose of evading this chapter or  
8                    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)   Owners or lessees of property who build or improve  
15                  residential, farm, industrial, or commercial buildings  
16                  or structures on property for their own use, or for  
17                  use by their grandparents, parents, siblings, or  
18                  children and who do not offer the buildings or  
19                  structures for sale or lease; provided that this  
20                  exemption shall not apply to electrical or plumbing  
21                  work that must be performed only by persons or  
22                  entities licensed under this chapter, or to the owner



1 or lessee of the property if the owner or lessee is  
2 licensed under chapter 448E. In all actions brought  
3 under this paragraph, proof of the sale or lease, or  
4 offering for sale or lease, of the structure not more  
5 than one year after completion is prima facie evidence  
6 that the construction or improvement of the structure  
7 was undertaken for the purpose of sale or lease;  
8 provided that this provision shall not apply to  
9 residential properties sold or leased to employees of  
10 the owner or lessee; provided further that in order to  
11 qualify for this exemption the owner or lessee must  
12 register for the exemptions as provided in section  
13 444-9.1. Any owner or lessee of property found to  
14 have violated this paragraph shall not be permitted to  
15 engage in any activities pursuant to this paragraph or  
16 to register under section 444-9.1 for a period of  
17 three years. There is a presumption that an owner or  
18 lessee has violated this section, when the owner or  
19 lessee obtains an exemption from the licensing  
20 requirements of section 444-9 more than once in two  
21 years;

- 1           (8) Any joint venture if all members thereof hold licenses  
2                   issued under this chapter;
- 3           (9) Any project or operation where it is determined by the  
4                   board that less than ten persons are qualified to  
5                   perform the work in question and that the work does  
6                   not pose a potential danger to public health, safety,  
7                   and welfare; or
- 8           (10) Any public works project that requires additional  
9                   qualifications beyond those established by the  
10                  licensing law and which is deemed necessary and in the  
11                  public interest by the contracting agency."

12           SECTION 3. Section 444-4, Hawaii Revised Statutes, is  
13 amended to read as follows:

14           **§444-4 Powers and duties of board.** In addition to any  
15 other powers and duties authorized by law, the board shall:

- 16           (1) Grant licenses, including conditional licenses, to  
17                  contractors, and provide for registration of handymen,  
18                  pursuant to this chapter and rules;
- 19           (2) Adopt, amend, or repeal such rules as the board may  
20                  deem proper fully to effectuate this chapter and carry  
21                  out the purpose thereof, which is the protection of  
22                  the general public. All rules shall be approved by

1 the governor and the director, and when adopted  
2 pursuant to chapter 91, shall have the force and  
3 effect of law. The rules may forbid acts or practices  
4 deemed by the board to be detrimental to the  
5 accomplishment of the purpose of this chapter. The  
6 rules may require contractors to make reports to the  
7 board containing any items of information as will  
8 better enable the board to enforce this chapter and  
9 rules, or as will better enable the board from time to  
10 time to amend the rules more fully to effectuate the  
11 purposes of this chapter. The rules may require  
12 contractors to furnish reports to owners containing  
13 any matters of information as the board deems  
14 necessary to promote the purpose of this chapter. The  
15 enumeration of specific matters which may properly be  
16 made the subject of rules shall not be construed to  
17 limit the board's general power to make all rules  
18 necessary fully to effectuate the purpose of this  
19 chapter;

- 20 (3) Adopt rules pursuant to chapter 91 necessary to  
21 implement the provisions of this chapter relating to  
22 CFCs, including, but not limited to, procedures for



1           the disposal of air conditioning units utilizing CFCs  
2           that include mandatory recovery and recycling of CFCs;  
3       (4)   Enforce this chapter and rules adopted pursuant  
4           thereto;  
5       (5)   Suspend or revoke any license for any cause prescribed  
6           by this chapter, or for any violation of the rules,  
7           and refuse to grant, renew, restore, or reinstate any  
8           license for any cause which would be grounds for  
9           revocation or suspension of a license;  
10       (6)   Publish and distribute pamphlets and circulars  
11           containing any information as the board deems proper  
12           to further the accomplishment of the purpose of this  
13           chapter;  
14       (7)   Contract for professional testing services to prepare,  
15           administer, and grade the examinations for applicants  
16           as may be required for the purposes of this chapter.  
17           The board shall determine the scope and length of the  
18           examinations, whether the examinations shall be oral,  
19           written, or both, and the score that shall be deemed a  
20           passing score;

1           (8) Order summary suspension of a license; provided that  
2           summary suspensions may be delegated in accordance  
3           with section 436B-23;

4           (9) Issue informal nonbinding interpretations or  
5           declaratory rulings, and conduct contested case  
6           proceedings pursuant to chapter 91; and

7           (10) Subpoena witnesses and documents, administer oaths,  
8           receive affidavits and oral testimony, including  
9           telephonic communications."

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

12          SECTION 5. This Act shall take effect on July 1, 2006.



SB2469, SD1

**Report Title:**

Contractors; Handyman

**Description:**

Raises the handyman's exemption to \$3,500; requires registration of handyman and general excise tax license. (SD1)

