

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1697
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1697 entitled:

"A BILL FOR AN ACT RELATING TO THE DEFINITION OF "CONTRACTOR"
UNDER THE CONTRACTOR REPAIR ACT,"

begs leave to report as follows:

The purpose of this measure is to amend the definition of
"contractor" under the Contractor Repair Act.

Testimony in support of this measure was submitted by the
Real Estate Commission, the Building Industry Association of
Hawaii, and the Hawaii Association of Realtors. Comments were
received from the Subcontractors Association of Hawaii.

Your Committee finds that this measure clarifies the
definition of "contractor" to delete the reference to a person who
sells a dwelling. Your Committee notes that the testimony from
the Subcontractors Association of Hawaii raised the concern as to
whether consumers who buy a home from an owner-builder would have
protection under the Contractor Repair Act, as they are not
specifically referenced in the definition of a "contractor".

Your Committee is in agreement that the original intent of
the Contractor Repair Act was not to include the "selling a
dwelling" in the definition of "contractor" but to include an
owner-builder, as provided in section 444-2(7), Hawaii Revised
Statutes, who shall not offer to sell or lease the subject



building or structure within one year after construction is complete.

Your Committee, upon the recommendation of the Hawaii Association of Realtors, has amended this measure by adding a purpose section.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1697, S.D. 1, and be placed on the calendar for Third Reading.

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



BRIAN T. TANIGUCHI, Chair



