

Honolulu, Hawaii

Feb 15, 2008

RE: H.B. No. 3275
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 3275 entitled:

"A BILL FOR AN ACT RELATING TO OWNER-BUILDER PERMITS,"

begs leave to report as follows:

The purpose of this bill is to enhance the law allowing exemptions from the contractor licensing law for owner-builders who build or improve their property for their own use, by:

- (1) Increasing from one to two years after the closing of the building permit, the restriction on post-construction sales or leases of exempted structures;
- (2) Exempting owner-builders from the post-construction sale or lease restriction in the event of any of the following unforeseen circumstances:
 - (A) The death of the owner's spouse or home co-owner;
 - (B) The owner becoming eligible to receive unemployment compensation; or
 - (C) The divorce of the owner;

and



- (3) Making owner-builder permits available once every three years instead of two years.


The Building Industry Association of Hawaii, HSI Mechanical, Inc., and a concerned individual testified in support of this bill. The Contractors License Board supported the intent of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by:

- (1) Restoring the current time restrictions on post construction sales and leases and the availability of owner-builder permits;
- (2) Expressly prohibiting sales and leases of exempted structures prior to the closing date of the building permit;
- (3) Allowing multiple projects on the same property to qualify as a single exemption for purposes of the time restriction on the availability owner-builder permits; and
- (4) Making technical, nonsubstantive amendments for clarity 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. 3275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3275, H.D. 1, and be referred to the Committee on Judiciary.

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



ROBERT N. HERKES, Chair



