

STAND. COM. REP. NO.

2854

Honolulu, Hawaii

MAR 24 2010

RE: H.B. No. 1927
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs, to which was referred H.B. No. 1927, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO OWNER-BUILDERS,"

beg leave to report as follows:

The purpose of this measure is to provide relief for owner-builders who must sell or lease a property prior to the expiration of the one-year prohibition on sales provided in section 444-2, Hawaii Revised Statutes, by:

- (1) Exempting from the prohibition the sale or lease of a property by an owner-builder prior to the expiration of the one-year period due to an eligible unforeseen hardship, as determined by the Contractors License Board (Board);
- (2) Requiring the Board to determine the eligibility of an unforeseen hardship upon application by an owner prior to the sale or lease and to notify the owner of its determination within ninety days of the Board's receipt of a complete application;
- (3) Adding an exemption from the one-year prohibition for construction or improvements performed pursuant to a building permit that indicates that the estimated value of the work to be performed is less than \$10,000;



- (4) Defining "completion" of the construction or improvements as the date of final inspection approval by the county; and
- (5) Establishing fines for an owner-builder who fails to comply with the requirements set forth in the disclosure statement.

Your Committees received testimony in support of this measure from the Board and the Hawai'i Association of Realtors. Testimony with comments on this measure was received from Department of Commerce and Consumer Affairs. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that, due to the current economic climate, owner-builders who may have initially intended to construct or improve their property for their own use may find themselves in difficult financial situations that require them to put their property up for sale within the one-year prohibition period. Your Committees further find that this measure is intended to allow the Board to provide these owner-builders the assurance that they will not be found in violation of section 444-2, Hawaii Revised Statutes, if they offer their property up for sale or lease. Additionally, this measure will enable an owner-builder to obtain the services of a realtor when listing the property, because, currently, realtors are justifiably reluctant to service such clients for fear of jeopardizing their own licenses.

Your Committees have amended this measure by:

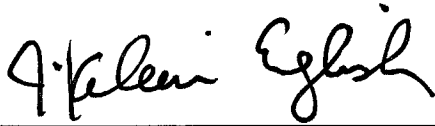
- (1) Inserting an effective date of July 1, 2010; and
- (2) Making technical, nonsubstantive changes for purposes of style and to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1927, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B.



No. 1927, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committees on Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs,



J. KALANI ENGLISH, Chair



ROSALYN H. BAKER, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

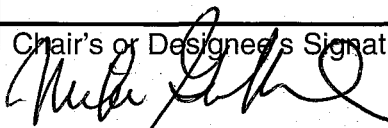
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB 1927 HD2	Committee Referral: CPN/TIA	Date: 3/12/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
HEMMINGS, Fred	✓			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Transportation, International and Intergovernmental Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1927, HD2	CPN/TIA	3-12-10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.				✓
SLOM, Sam				✓
TOTAL	3	-	-	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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