

STAND. COM. REP. NO. 1282

Honolulu, Hawaii

March 27, 2009

RE: S.B. No. 205
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 205, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to strengthen the contractor licensing law by:

- (1) Providing that the sale or lease of a property within two years, instead of one year, by an owner-builder of the property who claims an exemption from the contractor licensing requirement, is prima facie evidence that the person does not qualify for the owner-builder exemption;
- (2) Allowing an exception for sales or leases of the property due to circumstances beyond the owner-builder's control;
- (3) Establishing a presumption that an owner-builder who obtains an exemption more than once in a three-, instead of a two-year period, does not qualify for the owner-builder exemption; and



- (4) Amending the disclosure statement given by the counties to persons who may qualify for the owner-builder exemption, to reflect these amendments.

The Contractors License Board, Building Industry Association of Hawaii (BIA-Hawaii), Subcontractors Association of Hawaii, General Contractors Association, and a concerned individual supported this bill. The Hawaii Association of Realtors (HAR) opposed the measure. The Department of Commerce and Consumer Affairs commented on this bill.

Your Committee has amended this measure to reflect a compromise reached by HAR and BIA-Hawaii by:

- (1) Returning to one year, the time within which the sale or lease of an owner-builder's property is prima facie evidence that the person does not qualify for the owner-builder exemption, and removing related amendments;
- (2) Returning to two years, the time within which an owner-builder exemption claimed more than once by the same person, establishes a presumption that the claimant does not qualify for the owner-builder exemption; and
- (3) Including in the disclosure statement that a county must provide to an applicant for an owner-builder permit, the requirement that the applicant's federal and Hawaii State tax identification numbers, federal and state tax clearances, and certificate of workers' compensation insurance be submitted with the permit application.

Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 205, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization, Business, &
Military Affairs,

Angus L.K. McKelvey

ANGUS L.K. MCKELVEY, Chair

si.



