

STAND. COM. REP. NO. 1590

Honolulu, Hawaii

Apr: 19, 2009

RE: S.B. No. 205
S.D. 1
H.D. 2

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

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 205, S.D. 1, H.D. 1,
entitled:

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

beg leave to report as follows:

The purpose of this bill is to deter abuses of the owner-
builder exemption from the contractor licensing law by specifying
the penalties for failing to comply with the terms of the
exemption.

This bill also requires applicants for the owner-builder
exemption to submit:

- (1) Federal and state tax identification numbers;
- (2) Federal and state tax clearances; and
- (3) Certificates of workers' compensation insurance.

The Building Industry Association of Hawaii, Subcontractors
Association of Hawaii, and a concerned individual testified in
support of this bill. The Department of Commerce and Consumer
Affairs, Contractors License Board, and Hawaii Association of
REALTORS provided comments.

SB205 HD2 HSCR CPC-JUD HMS 2009-3455



Owner-builder permits provide an exemption from the general requirement that construction be done by licensed contractors. Under this exemption, a property owner or lessee may act as their own general contractor, without a license, to build or improve structures for their own use and not for sale or lease. The exemption does not apply to electrical or plumbing work that cannot be performed without a license. Among other things, this bill strengthens safeguards against abuses of the exemption by applying fines under the contractor licensing law to those who fail to comply with the terms of the exemption.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2090, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style, including the insertion of a separate statutory provision reflecting the tax and insurance information submittal requirements for owner-builder exemption applications, which are already in this bill.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 205, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 205, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



JON RIKI KARAMATSU, Chair



ROBERT N. HERKES, Chair



HSCR 1590

State of Hawaii
House of Representatives
The Twenty-fifth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 205 S/DI HD1	Committee Referral: EBM, CPC/JUD	Date: 3/20/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BELATTI, Della Au				✓
4. CABANILLA, Rida	✓			
5. CARROLL, Mele				✓
6. ITO, Ken	✓			
7. KARAMATSU, Jon Riki	✓			
8. LUKE, Sylvia				✓
9. McKELVEY, Angus L.K.				✓
10. MIZUNO, John M.	✓			
11. MORITA, Hermina M.	✓			
12. SOUKI, Joseph M.	✓			
13. TSUJI, Clift	✓			
14. MARUMOTO, Barbara C.	✓			
15. THIELEN, Cynthia	✓			
TOTAL (15)	11	0	0	4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted			If joint referral, _____ did not support recommendation. committee acronym(s)	
Vice Chair's or designee's signature: _____				
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