

Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 846
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committees on Water & Land and Agriculture, to which was referred H.B. No. 846 entitled:

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

beg leave to report as follows:

The purpose of this measure is to clarify the responsibilities of and add protections for owner-builders exempt from the licensing requirements of Hawaii's contractor laws.

The Department of Commerce and Consumer Affairs, Pacific Resource Partnership, and General Contractors Association of Hawaii testified in support of this measure. The Contractors License Board, Building Industry Association of Hawaii, Subcontractors Association of Hawaii, and one individual testified in support of this measure with amendments. The Hawaii Farm Bureau Federation opposed this measure. The Hawaii Association of Realtors submitted comments.

Your Committees have amended this measure by:

- (1) Preventing owner-builders from recovering from the Contractors Recovery Fund set up in section 444-26, Hawaii Revised Statutes;
- (2) Adding an exception to the owner-builder law for agricultural structures that are exempt from the building code or do not require a building permit;



- (3) Clarifying when a licensed contractor must explain and disclose to the homeowner certain rights and information regarding the contract for services;
- (4) Adding a fee structure to fund the processing of applications and the field and investigation process regarding the owner-builder scheme; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water & Land and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 846, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 846, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committees on Water & Land and
Agriculture,



JESSICA WOOLEY, Chair



CINDY EVANS, Chair



