

Honolulu, Hawaii

APR 25 2013

RE: S.B. No. 1077
S.D. 2
H.D. 2
C.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1077, S.D. 2, H.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Repeal the owner-builder exemption for industrial and commercial construction;
- (2) Set forth additional construction, employment, and other requirements for owners and lessees with an owner-builder exemption;
- (3) Prohibit owners and lessees with an owner-builder exemption from being eligible to recover from the contractors recovery fund; and



- (4) Amend penalties for noncompliance with owner-builder exemption requirements.

Your Committee on Conference finds that the owner-builder exemption under chapter 444, Hawaii Revised Statutes, authorizes owner-builders to perform their own improvements and construction without being required to obtain a contractor's license. However, owners often obtain owner-builder permits without having full knowledge of the risks and responsibilities that they assume. For example, owner-builders who hire unlicensed individuals to perform work act as the employer and must comply with employer insurance and tax requirements and follow applicable safety regulations and building codes. Owner-builders who hire subcontractors must hire licensed subcontractors.

Your Committee on Conference further finds that this measure clarifies the responsibilities that are required of owner-builders and improves the ability of the Regulated Industries Complaints Office to investigate possible violations of laws pertaining to owner-builders, thus promoting safety, improving the quality of construction in Hawaii, and reducing unreported cash transactions.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1077, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1077, S.D. 2, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

Cindy Evans

CINDY EVANS, Co-Chair

Rosalyn H. Baker

ROSALYN H. BAKER, Chair

Jessica Wooley

JESSICA WOOLEY, Co-Chair

Will Espero

WILL ESPERO, Co-Chair

Angus L.K. McKelvey

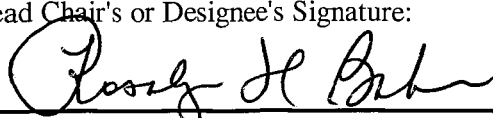
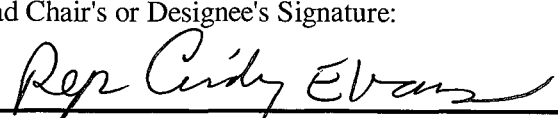
ANGUS L.K. MCKELVEY, Co-Chair



Hawaii State Legislature

CLR 23

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 1077, SD 2, HD 2					Date/Time: 4/22/13 4:37 PM				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				EVANS, Cindy, Co-Chr.	✓			
ESPERO, Will, Co-Chr.	✓				WOOLEY, Jessica, Co-Chr.				✓
SLOM, Sam				✓	MCKELVEY, Angus L.K., Co-Chr.	✓			
					LEE, Chris				✓
					CHEAPE, Lauren Kealohilani	✓			
TOTAL	2	-	-	1	TOTAL	3	-	-	2
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution:		Original	Yellow	Pink	Goldenrod				
		File with Conference Committee Report	House Clerk's Office	Senate Clerk's Office	Drafting Agency				