

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 11, 2013

TO: HONORABLE ANGUS MCKELVEY, CHAIR, HONORABLE DEREK KAWAKAMI, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

SUBJECT: **SUPPORT INTENT OF S.B. 1077, SD2, WITH AMENDMENTS RELATING TO OWNER-BUILDER EXEMPTION.** Sets forth specific responsibilities of and protections for owner-builders exempted from licensing and other requirements under chapter 444, Hawaii Revised Statutes. Effective 07/01/2050. (SD2)

HEARING

DATE: Monday, March 11, 2013
TIME: 8:30 a.m.
PLACE: Conference Room 312

Dear Chair McKelvey, Vice Chair Kawakami and Members of the Committee:

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA **supports the intent with amendments** of S.B. 1077, SD2 Relating to the Owner-Builder Exemption, as it intends to further clarify the requirements under Chapter 444, Hawaii Revised Statutes. The purpose of this bill is to limit the application of the owner-builder exemption to residential and agricultural property only, to improve the ability of the regulated industries complaints office to investigate possible violations of the owner-builder law, and to offer additional disclosures for owner-builders when they enter into agreements with licensed subcontractors.

The GCA requests the following amendment:

(B) Hire subcontractors appropriately licensed under this chapter to perform [~~any~~] all or part of the construction activity for which a license is required;

This amendment restores the original language of the bill to ensure that an owner who may choose to self-perform some work, other than plumbing and electrical work, is permitted to do so under the owner-builder exemption pursuant to Section 444-2.5, HRS.

Additionally, while GCA supports the intent, **GCA has some concerns with the removal of the applicability of commercial and industrial owner builder exemption** because there seems to be little suggesting that there has been a problem with such use. It would be of interest to know whether the use of the owner builder exemption is occasionally used by commercial or industrial owners, and if no problems exist, why the need to eliminate the use of such? The GCA is concerned that an owner may want to build out their own office space, while using the owner builder exemption. The justification sheet indicates that because commercial or industrial buildings impacts the public, thus the exemption should not be permitted. However, there is concern that there may be unintended consequences especially for the small number of owners that properly utilize this exemption without any problems.

Currently, owners or lessees of real property may qualify for an owner-builder exemption from the licensing requirements of Hawaii's Contractor law in chapter 444, HRS, if the owners or lessees build or improve residential, farm, industrial, or commercial buildings for their own use and do not offer the buildings for sale or lease. Owners or lessees who seek to qualify for an owner builder exemption must register for the exemption and sign a disclosure statement that sets forth the responsibilities of the owner-builder. This bill proposes to increase fines for any violations and require additional record-keeping for any homeowner claiming the exemption. Additionally, this bill hopes to curb any abuse by contractors who may utilize the exemption beyond its intended use.

Thank you for the opportunity to present our views on this bill.



Testimony to the House Committee on Water & Land, and
Ocean, Marine Resources, and Hawaiian Affairs
March 11, 2013

Testimony in opposition to SB 1170 SD2, Relating to Enforcement of Violations by the
Department of Land and Natural Resources

To: The Honorable Cindy Evans, Chair
The Honorable Nicole Lowen, Vice-Chair
The Honorable Faye Hanohano, Chair
The Honorable Ty Cullen, Vice-Chair
Members of the Committees

My name is Stefanie Sakamoto, and I am testifying on behalf of Fishing Tales with Mike Sakamoto, a company that was founded by my father in 1985. In addition to producing a fishing show in Hawaii for 15 years, Mike Sakamoto was a tireless fishing advocate, whose philosophy was the rooted in the preservation of fishing rights and ocean resources for future generations.

We are in opposition to SB 1170 SD2. This bill would authorize community service in lieu of fines, supervised by a governmental agency, community service group, or charitable organization. While we are not opposed to the concept of community service, we feel that it should be supervised only by a governmental agency. Allowing outside agencies to administer punishment could result in an unfair abuse of power. We are also opposed to the section of the bill that would allow for the denial of motor vehicle registration. This is a punishment that does not seem to fit the crime, as a violation under this section has nothing to do with the operation of a motor vehicle.

Thank you for the opportunity to testify.

Mahalo,

Stefanie Y. Sakamoto