

STAND. COM. REP. NO.

796

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 1077  
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1077, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to set forth specific responsibilities of owner-builders exempted from licensing and other requirements under chapter 444, Hawaii Revised Statutes.

This measure also limits the application of the owner-builder exemption to residential or farm property only and requires additional disclosures for owner-builders when they enter into agreements with licensed subcontractors.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Contractors License Board.

Your Committee finds that the owner-builder exemption 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. 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.

SB1077 SD2 SSCR LRB 13-1938-1.doc



Your Committee has amended this measure by:

- (1) Clarifying that licensed subcontractors shall be hired to perform any part of the construction activity for which a license is required;
- (2) Inserting a savings clause;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

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

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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DAVID Y. IGE, Chair



