

Honolulu, Hawaii

February 18, 2015

RE: H.B. No. 103  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 103 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose of this measure is to assist homeowners by providing easier access to construction services for smaller home repair and remodeling projects. Specifically, this measure raises the threshold under the contractor licensing law's "handyman exemption" from \$1,000 to \$5,000.

The Hawaii Association of REALTORS and a concerned individual testified in support of this measure. The Contractors License Board, Hawaii Construction Alliance, Building Industry Association of Hawaii, Subcontractors Association of Hawaii, and David's Custom Roofing & Painting, Inc., testified in opposition to this measure. The Department of Commerce and Consumer Affairs submitted comments.

Under the contractor licensing law, the "handyman exemption" permits the hiring of a person not licensed as a contractor, if the total cost of the project including labor, materials, taxes, and all other items, is not more than \$1,000. This allows for smaller home repair and remodeling projects to be undertaken in a more timely and efficient manner. However, rising construction costs, due in large part to the increase in construction in the State, has resulted in a concomitant increase in the costs of



construction materials. As such, small home repair and remodeling projects may easily exceed \$1,000. Your Committee finds that increasing the handyman threshold, a threshold that has not been increased since 1992, will combat high housing costs and provide faster, easier access to construction services for smaller projects.

While your Committee understands the safety and regulatory concerns raised with regard to increasing the handyman exemption threshold by the opponents of this measure, your Committee finds that this measure warrants further consideration and discussion and has amended this measure by:

- (1) Reducing the increase in the exemption threshold from \$5,000 to \$2,000; and
- (2) Changing its effective date to February 19, 2025, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 103, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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DEREK S.K. KAWAKAMI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

ASCE 291

**Record of Votes of the Committee on Economic Development & Business**

Bill/Resolution No.: <b>HB 103</b>	Committee Referral: <b>EDB, CPC</b>	Date: <b>10 FEB 15</b>		
<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)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. ITO, Ken				✓
7. OHNO, Takashi		✓		
8. ONISHI, Richard H.K.	✓			
9. TOKIOKA, James Kunane	✓			
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.		✓		✓ (K)
12. MATSUMOTO, Lauren Kealohilani	✓			
13. WARD, Gene	✓			
<b>TOTAL (13)</b>	<b>10</b>	<b>2</b>		<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ <div style="text-align: center; font-family: cursive; font-size: 1.2em;">James S. King</div>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				