

Testimony of the Contractors License Board

**Before the
House Committee on Housing
and
House Committee on Water & Land
and
House Committee on Judiciary & Hawaiian Affairs
Monday, February 12, 2024
2:30 p.m.
Conference Room 325 and Videoconference**

**On the following measure:
H.B. 1633, RELATING TO CONTRACTORS**

Chair Evslin, Chair Ichiyama, Chair Tarnas, and Members of the Committees:

My name is Candace Ito, and I am the Executive Officer of the Contractors License Board (Board). The Board offers comments on this bill.

The purpose of this bill is to remove the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own general contractor.

The Board appreciates the intent of this measure as it appears to address the housing shortage. However, the Board has concerns that this measure is inconsistent with the owner builder exemption requirements, which require that they build structures or improve property for their own use, or for use by their grandparents, parents, siblings, or children. Owner-builders act as their own general contractor and are responsible for supervising the construction, ensuring that subcontractors are properly licensed and ensuring work safety standard are met. The owner-builder is also responsible for ensuring the project meets building code and building inspection, and that the project complies with employment and tax laws for any persons working on the project who are not licensed.

Additionally, counties are prohibited from issuing a building permit to the owner-applicant until the applicant signs a disclosure statement that attests that the building is for the owner-applicant's own use and occupancy. An owner-builder that intends to build a home for lease would not be able to qualify for an owner-builder permit as the home is not for their own use or for use by their family.

Thank you for the opportunity to testify on this bill.



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1288 A'ala Street, Suite 300
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February 12, 2024

The Honorable Luke A. Evslin, Chair

House Committee on Housing

The Honorable Linda Ichiyama, Chair

House Committee on Water & Land

The Honorable David A. Tarnas, Chair

House Committee on Judiciary & Hawaiian Affairs

State Capitol, Conference Room 325 & Videoconference

RE: House Bill 1633, Relating to Contractors

HEARING: Monday, February 12, 2024, at 2:30 p.m.

Aloha Chair Evslin, Chair Ichiyama, Chair Tarnas, and Members of the Joint Committees:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 11,000 members. HAR **supports** House Bill 1633, which removes the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own general contractor.

An owner-builder is a property owner who has an owner-builder permit from the county to build or improve residential structures on a property for personal use or by their immediate family. As an owner-builder, one acts as their own general contractor, ensuring that all applicable laws, building codes, and zoning regulations are following amongst other requirements. Additionally, a property owner may not apply for another owner-builder permit for three years.

Under current law, an owner-builder cannot sell or lease, or even offer to sell or lease the structure for one year after completion. The current restriction on leasing means that properties that could offer units on Hawaii's rental market are unable to do so in that period. We support eliminating the one-year lease restriction for owner-builders to assist with increasing the supply of Hawaii's rental market.

Mahalo for the opportunity to testify in support of this measure.



HB-1633

Submitted on: 2/10/2024 10:58:10 AM

Testimony for HSG on 2/12/2024 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
cindy freitas	Individual	Support	Written Testimony Only

Comments:

Aloha

I'm Cindy Freitas i'm in support of HB 1633 for many reasons, but the most important reasons is we the people can expediate a lot of huddle's to repair a house in todays economic. Coming from owner builders prespective.

Mahalo,

_____/s/____

Cindy Freitas