

STAND. COM. REP. NO.

582

Honolulu, Hawaii

FEB 13 , 2025

RE: H.B. No. 421
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 421
entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale; and
- (2) Require an owner or a lessee to provide signed written notice that the residential structure for lease or sublease was built or improved by an individual who is not a licensed contractor.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS and Grassroot Institute of Hawaii. Your Committee received testimony in opposition to this measure from the Contractors License Board and Contractors Association of Kaua'i. Your Committee received comments on this measure from the Regulated Industries Complaints Office.

2025-1804 HB421 HD1 HSCR HMSO



Your Committee finds that under existing law, an owner-builder who has an owner-builder permit to act as their own general contractor cannot sell or lease, or offer to sell or lease, a structure that was built under an owner-builder exemption until one year after completion. Your Committee further finds that Hawaii is one of only seven states in the country that imposes this type of restriction. The existing restriction on leasing means that property owners who could offer units in Hawaii's rental market are unable to do so during this one-year period. This measure will complement many of the strategies now being used to ease the State's housing shortage by eliminating this lease restriction.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 421, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



LUKE A. EVSLIN, Chair



45CR 582

Bill/Resolution No.: HB421		Committee Referral: HSG, CPC		Date: 2/12/25
<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)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. EVSLIN, Luke A. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			
3. COCHRAN, Elle				✓
4. GRANDINETTI, Tina Nakada	✓			
5. KILA, Darius K.	✓			
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.	✓			
9. PIERICK, Elijah	✓			
TOTAL (9)	8	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ <i>Tyson Miyake</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				