

ACT 209

S.B. NO. 1818

A Bill for an Act Relating to the Contractors Recovery Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 444-26, Hawaii Revised Statutes, is amended to read as follows:

**“§444-26 Contractors recovery fund; use of fund; person injured; fees.**

The contractors license board is authorized and directed to establish and maintain a contractors recovery fund from which any person injured by an act, representation, transaction, or conduct of a duly licensed contractor, which is in violation of the provisions of this chapter or the regulations promulgated pursuant thereto, may recover by order of the circuit court or district court of the judicial circuit where the violation occurred, an amount of not more than \$12,500 per contract, regardless of the number of persons injured under the contract, for damages sustained by the act, representation, transaction, or conduct. Recovery from the fund shall be limited to the actual damages suffered by the claimant, including court costs and fees as set by law, and reasonable attorney fees as determined by the court; provided that recovery from the fund shall not be awarded to persons injured by an act, representation, transaction, or conduct of a contractor whose license was in an inactive status at time of the injury.

For purposes of this chapter, “person injured” or “injured person” means and is limited to owners or lessees of private residences, including condominium or cooperative units, who have contracted with a duly licensed contractor for the construction of improvements or alterations to their own private residences and owners or lessees of real property who contract with a duly licensed contractor for the construction of their own private residences on their real property.

[Every contractor, when renewing the contractor’s license in 1974, shall pay in addition to the contractor’s license renewal fee, a fee of \$50 for deposit in the contractors recovery fund.] On or after May 1, 1974, when any person makes

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application for a contractors license the person shall pay, in addition to the person's original license fee, a fee of \$150 for deposit in the contractors recovery fund. In the event that the contractors license board does not issue the license, this fee shall be returned to the applicant."

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 7, 1989.)