

ACT 306

H.B. NO. 1535

A Bill for an Act Relating to Contractors.

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

SECTION 1. Section 444-25.5, Hawaii Revised Statutes, is amended to read as follows:

“§444-25.5 Disclosure. Any licensed contractor entering into a contract involving home improvements shall upon or before signing the contract, but before the application for a building permit:

- (1) Explain verbally in detail to the owner all lien rights of all parties performing under the contract including the homeowner, the contractor, any subcontractor or any materialman supplying commodities or labor on the project.
- (2) Explain verbally in detail the owner’s option to demand bonding on the project, how such a bond would protect the owner and the approximate expense of such a bond.
- (3) Secure signatures of the owner on a separate form, the language of which shall be approved by the contractors license board, which shall be printed in at least 12 point type and in the same language in which the contract was negotiated and which shall contain the provisions set out in paragraphs (1) and (2)[.]; provided that at the contractor’s option, a separate form need not be used, so long as the disclosures required by this section are in the first page of the contractor’s written contract and printed in at least 14 point type.
- (4) Violation of this section shall be deemed an unfair or deceptive practice and shall be subject to the provisions of chapter 480, as well as the provisions of this chapter.
- (5) The contractors license board is authorized and directed to develop the disclosure [form] language pursuant to this section.”

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 Statutory material to be repealed is bracketed.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 13, 1989.)