

Honolulu, Hawaii
FEB 29 , 2024

RE: H.B. No. 1633
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Housing, Water & Land, and Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1633 entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

beg leave to report as follows:

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

Your Committees received testimony in support of this measure from the Hawai'i Association of REALTORS and one individual. Your Committees received comments on this measure from the Contractors License Board.

Your Committees find 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. The current 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. Your Committees believe that the State needs to increase the supply of affordable rentals by reducing government regulations and barriers that hinder the availability of affordable rentals.



Your Committees have amended this measure by:

- (1) Specifying that owners who build or improve residential or farm buildings or structures on their own property and who do not offer the buildings or structures for sale are exempt from general contractor licensing requirements;
- (2) Removing lessees from the category of persons who can claim an owner-builder exemption;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing, Water & Land, and Judiciary & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1633, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1633, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Housing, Water &
Land, and Judiciary & Hawaiian
Affairs,


LINDA ICHIYAMA, Chair


LUKE A. EVSLIN, Chair


DAVID A. TARNAS, Chair



