
A BILL FOR AN ACT

RELATING TO CONTRACTORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 444-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§444-2 Exemptions.** This chapter shall not apply to:

4 (1) Officers and employees of the United States, the
5 State, or any county while in the performance of their
6 governmental duties;

7 (2) Any person acting as a receiver, trustee in
8 bankruptcy, personal representative, or any other
9 person acting under any order or authorization of any
10 court;

11 (3) A person who sells or installs any finished products,
12 materials, or articles of merchandise that are not
13 actually fabricated into and do not become a permanent
14 fixed part of the structure, or to the construction,
15 alteration, improvement, or repair of personal
16 property;

17 (4) Any project or operation for which the aggregate
18 contract price for labor, ~~materials,~~ taxes, and all



1 other items, not including materials, is not more than
2 \$1,000. This exemption shall not apply in any case
3 where a building permit is required regardless of the
4 aggregate contract price, nor where the undertaking is
5 only a part of a larger or major project or operation,
6 whether undertaken by the same or a different
7 contractor or in which a division of the project or
8 operation is made in contracts of amounts of not more
9 than \$1,000 for the purpose of evading this chapter or
10 otherwise;

11 (5) A registered architect or professional engineer acting
12 solely in the person's professional capacity;

13 (6) Any person who engages in the activities regulated in
14 this chapter as an employee with wages as the person's
15 sole compensation;

16 (7) Owners or lessees of property who build or improve
17 residential, farm, industrial, or commercial buildings
18 or structures on property for their own use, or for
19 use by their grandparents, parents, siblings, or
20 children and who do not offer the buildings or
21 structures for sale or lease; provided that this
22 exemption shall not apply to electrical or plumbing



1 work that must be performed only by persons or
2 entities licensed under this chapter, or to the owner
3 or lessee of the property if the owner or lessee is
4 licensed under chapter 448E. In all actions brought
5 under this paragraph, proof of the sale or lease, or
6 offering for sale or lease, of the structure not more
7 than one year after completion is prima facie evidence
8 that the construction or improvement of the structure
9 was undertaken for the purpose of sale or lease;
10 provided that this provision shall not apply to
11 residential properties sold or leased to employees of
12 the owner or lessee; provided further that in order to
13 qualify for this exemption the owner or lessee must
14 register for the exemptions as provided in section
15 444-9.1. Any owner or lessee of property found to
16 have violated this paragraph shall not be permitted to
17 engage in any activities pursuant to this paragraph or
18 to register under section 444-9.1 for a period of
19 three years. There is a presumption that an owner or
20 lessee has violated this section[7] when the owner or
21 lessee obtains an exemption from the licensing



1 requirements of section 444-9 more than once in two
2 years;

3 (8) Any joint venture if all members thereof hold licenses
4 issued under this chapter;

5 (9) Any project or operation where it is determined by the
6 board that less than ten persons are qualified to
7 perform the work in question and that the work does
8 not pose a potential danger to public health, safety,
9 and welfare; or

10 (10) Any public works project that requires additional
11 qualifications beyond those established by the
12 licensing law and ~~which~~ is deemed necessary and in
13 the public interest by the contracting agency."

14 SECTION 2. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 3. This Act shall take effect upon its approval.
17

INTRODUCED BY:



JAN 17 2007



Report Title:

Contractors; Exemption

Description:

Excludes costs of material in determining whether cost of project is less than \$1,000 for purposes of exemption from contractor licensing law.

