
A BILL FOR AN ACT

RELATING TO CONTRACTORS.

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

1 SECTION 1. Section 444-9.1, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "§444-9.1 Issuance of building permits; owner-builder
4 registration. (a) Each county or other local subdivision of
5 the State which requires the issuance of a permit as a condition
6 precedent to the construction, alteration, improvement,
7 demolition, or repair of any building or structure shall also
8 require that each applicant for such a permit file as a
9 condition to the issuance of a permit a statement that the
10 applicant and all specialty contractors are licensed under this
11 chapter, giving the license numbers and stating that the
12 licenses are in full force and effect, or, if the applicant is
13 exempt from this chapter, the basis for the claimed exemption;
14 provided that if the applicant claims an exemption under section
15 444-2(7), the applicant shall also be required to certify that
16 the building or structure is for the applicant's personal use
17 and not for use or occupancy by the general public. Each county
18 or local subdivision of the State shall maintain an owner-



1 builder registration list which shall contain the following
2 information: (1) the name of any owner or lessee who claims an
3 exemption from this chapter as provided in section 444-2(7); (2)
4 the address of the property where exempt building or improvement
5 activity is to occur; (3) a description of the type of building
6 or improvement activity to occur; (4) the approximate dates of
7 construction activity; and (5) whether any electrical or
8 plumbing work is to be performed and if so, the name and license
9 number of the person or entity who will do the work. The
10 absence of such registration is prima facie evidence that the
11 exemption in section 444-2(7) does not apply.

12 (b) The county shall verify the license against a list of
13 licensed contractors provided by the state contractors licensing
14 board, which list shall be updated at least quarterly. The
15 county shall also verify that the applicant is in fact the
16 contractor so licensed or the contractor's duly authorized
17 agent.

18 (c) To qualify for the exemption under section 444-2(7),
19 the county shall provide the applicant with a disclosure
20 statement in substantially the following form:

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"Disclosure Statement



1 State law requires construction to be done by licensed
2 contractors. You have applied for a permit under an
3 exemption to that law. The exemption provided in section
4 444-2(7), Hawaii Revised Statutes, allows you, as the owner
5 or lessee of your property, to act as your own general
6 contractor even though you do not have a license. You must
7 supervise the construction yourself. You must also hire
8 licensed subcontractors. The building must be for your own
9 use and occupancy. It may not be built for sale or lease.
10 If you sell or lease a building you have built yourself
11 within one year after the construction is complete, the law
12 will presume that you built it for sale or lease, which is
13 a violation of the exemption, and you may be prosecuted for
14 this. It is your responsibility to make sure that
15 subcontractors hired by you have licenses required by state
16 law and by county licensing ordinances. Electrical or
17 plumbing work must be performed by contractors licensed
18 under chapters 448E and 444, Hawaii Revised Statutes. Any
19 person working on your building who is not licensed must be
20 your employee which means that you must deduct F.I.C.A. and
21 withholding taxes and provide workers' compensation for
22 that employee, all as prescribed by law. Your construction



1 must comply with all applicable laws, ordinances, building
2 codes, and zoning regulations. If you violate section 444-
3 2(7) you may be fined \$5,000 or forty per cent of the
4 appraised value of the building as determined by the county
5 tax appraiser, whichever is greater, for the first offense;
6 and \$10,000 or fifty per cent of the appraised value of the
7 building as determined by the county tax appraiser,
8 whichever is greater for any subsequent offense."

9 The county shall not issue a building permit to the owner-
10 applicant until the applicant signs a statement that the
11 applicant has read and understands the disclosure form.

12 (d) A county building inspector or other building official
13 shall report to the regulated industries complaints office the
14 name and address of any person, who, in the opinion of the
15 building inspector or official, has violated this chapter by
16 accepting or contracting to accomplish work which would classify
17 the person as a contractor under this chapter.

18 (e) Each county or other local subdivision of the State
19 which requires the issuance of a permit as a condition precedent
20 to the construction, alteration, improvement, demolition, or
21 repair of any building or structure shall also expedite the
22 permits for those contractors who submit and have approved a



1 building plan that proposes to build vertically or protect
2 agricultural lands by building vertically.

3 (f) In order to qualify for expedited approval under this
4 chapter, the plan submitted shall expressly lay out how building
5 vertically will help Hawaii by preserving horizontal land space,
6 green space, agricultural lands, or any other benefit of
7 building vertically.

8 (g) The county or other local subdivision of the State
9 shall approve the plan if the vertical development meets the
10 criteria of subsection (f)."

11 SECTION 2. New statutory material is underscored.

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

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INTRODUCED BY:

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Report Title:

Development

Description:

Establishes "preservation of paradise" by allowing contractors to fast track vertical development rather than horizontal development and provide incentives to protect agricultural lands.

