H.B. NO. ⁶⁹ H.D. 1

A BILL FOR AN ACT

RELATING TO CONTRACTORS.

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

1 SECTION 1. The legislature finds that chapter 444, Hawaii Revised Statutes, requires that a licensed contractor be hired 2 for any construction work that costs more than \$1,000 or that 3 4 requires a building permit. However, the handyman exemption to 5 chapter 444, Hawaii Revised Statutes, allows the hiring of a 6 person not licensed as a contractor if the total value of the 7 project, including labor and materials, is equal to or less than 8 \$1,000.

9 The legislature further finds that as housing costs have 10 increased in Hawaii, the cost of housing materials has also 11 increased. As a result, small home repair projects may easily 12 exceed \$1,000. Additionally, Act 195, Session Laws of Hawaii 13 2009, increased the monetary sanctions for engaging in 14 contracting without the required license in violation of the 15 contractors licensing law. Fines were increased from \$500 to \$2,500 for the first offense and from \$1,000 to \$3,500 for the 16 second offense. This represents a fivefold increase in the 17



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amount of the first offense fine and over a threefold increase
in the second offense fine.

3 Despite an increase in costs and a shortage of licensed 4 contractors, the handyman exemption amount has not been 5 increased since 1992. Accordingly, the legislature finds that 6 in order to combat high housing costs, the handyman exemption 7 should be expanded to provide faster, easier access to 8 construction services for smaller projects.

9 It is necessary to raise the handyman exemption for several 10 reasons. First, increasing the exemption threshold brings the 11 exemption more in line with the increased fines imposed by Act 12 195 and reduces that law's potential impact on handymen who take 13 on small projects in good faith and face rising materials costs. 14 Second, raising the handyman exemption will help landlords and 15 homeowners reduce the costs of maintaining a home or for repairs 16 to make rentals marketable. Third, in rural parts of the State, 17 it is often difficult to find licensed contractors for these projects because the job is either too small or contractors are 18 19 not available. Finally, if the exemption threshold remains as 20 it is, senior citizens who are unable to find contractors may be



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1	forced to attempt dangerous repairs themselves, thereby placing		
2	senior citizen homeowners at risk of injury.		
3	The purpose of this Act is to broaden the contractor		
4	licensing law's handyman exemption threshold amount by removing		
5	all costs other than labor and materials from its calculation		
6	and raising the amount to \$1,500.		
7	SECTION 2. Section 444-2, Hawaii Revised Statutes, is		
8	amended to read as follows:		
9	"§44	4-2 Exemptions. This chapter shall not apply to:	
10	(1)	Officers and employees of the United States, the	
11		State, or any county while in the performance of their	
12		governmental duties;	
13	(2)	Any person acting as a receiver, trustee in	
14		bankruptcy, personal representative, or any other	
15		person acting under any order or authorization of any	
16		court;	
17	(3)	A person who sells or installs any finished products,	
18		materials, or articles of merchandise that are not	
19		actually fabricated into and do not become a permanent	
20		fixed part of the structure, or to the construction,	



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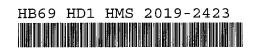
1		alteration, improvement, or repair of personal
2		property;
3	(4)	Any project or operation for which the aggregate
4		contract price for labor[-] and materials[-, taxes, and
5		all other items] is not more than [\$1,000.] <u>\$1,500.</u>
6		This exemption shall not apply in any case where a
7		building permit is required regardless of the
8		aggregate contract price, nor where the undertaking is
9		only a part of a larger or major project or operation,
10		whether undertaken by the same or a different
11		contractor or in which a division of the project or
12		operation is made in contracts of amounts not more
13		than [\$1,000] <u>\$1,500</u> for the purpose of evading this
14		chapter or otherwise;
15	(5)	A registered architect or professional engineer acting
16		solely in the person's professional capacity;
17	(6)	Any person who engages in the activities regulated in
18		this chapter as an employee with wages as the person's
19		sole compensation;
20	(7)	Owner-builders exempted under section 444-2.5;



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1	(8)	Any joint venture if all members thereof hold licenses
2		issued under this chapter;
3	(9)	Any project or operation where it is determined by the
4		board that less than ten persons are qualified to
5		perform the work in question and that the work does
6		not pose a potential danger to public health, safety,
7		and welfare; or
8	(10)	Any public works project that requires additional
9		qualifications beyond those established by the
10		licensing law and which is deemed necessary and in the
11		public interest by the contracting agency."
12	SECT	'ION 3. Statutory material to be repealed is bracketed
13	and stric	ken. New statutory material is underscored.
14	SECT	ION 4. This Act shall take effect on July 1, 2050.



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Report Title: Contractors; Handyman Exemption

Description:

Raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500 and makes it applicable only to the cost of labor and materials. (HB69 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

