

STAND. COM. REP. NO. **3670**

Honolulu, Hawaii

APR 05 2024

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 1633, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONTRACTORS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the law that exempts owner-builders from state law governing contractors by:

- (1) Repealing language that allows lessees of the property to be eligible for the exemption; and
- (2) Repealing language that requires the buildings or structures to be built or improved for the property owner's own use or for use by the owner's grandparents, parents, siblings, or children.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS and Grassroot Institute of Hawaii.

Your Committee received testimony in opposition to this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Contractors License Board.



Your Committee finds that property owners that construct or improve certain buildings or structures on their own property can do so without a construction license by obtaining an owner-builder exemption permit. However, under the existing law governing owner-builder exemptions, any newly constructed or improved building or structure must ultimately be for the owner's or their family's use and occupancy. Your Committee finds that this requirement has made it difficult and more expensive for homeowners who seek to self-convert their single-family residences into leasable multi-family dwellings. Therefore, this measure removes certain restrictions on the use of a property built or improved pursuant to the owner-builder exemption to help stimulate the construction of rental housing and increase the housing supply in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1633, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB1633 HDI SDI	Committee Referral: HOU, CPN	Date: 3/28/24
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"			✓	✓
AWA, Brenton			✓	
TOTAL	3		1	1

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes