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Removing barriers to Hawaii's prosperity

Jan. 30, 2024, 1 p.m.

Hawaii State Capitol

Conference Room 225 and Videoconference

To: Senate Committee on Housing Sen. Stanley Chang, Chair Sen. Troy Hashimoto, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SB1461 — RELATING TO BUILDING INDUSTRY PROFESSIONALS

Comments only

Aloha Chair Chang, Vice-Chair Hashimoto and members of the Committee,

The Grassroot Institute of Hawaii would like to offer its comments on <u>SB1461</u>, which would change the types of projects that do not need to be stamped or observed by a licensed architect or engineer.

Specifically, under the bill, projects exempt under Section 464—13 would be based on square footage instead of costs, and certain one- and two-story residences would be exempt entirely.

For example, right now, according to SB1461, up to \$40,000 of work may be done on a privately owned one-story structure — such as a residence or a business — without needing a licensed architect to draw up the plans.

The bill would replace the \$40,000 with language stating that the work is exempt so long as the "floor area of work does not exceed 1,200 square feet." For certain two-story structures, the bill would change the \$35,000 value limit to a 1,000 square feet limit.

As a side note, it appears that SB1461 is using value figures and other language from an out-of-date version of Section 464—13. Those figures were updated last year by <u>Act 177, SLH 2023</u> for one- and two-story residences

from \$50,000 and \$45,000 to \$180,000 and \$162,000, respectively. For square footage limits, SB1461 would change them to 1,500 and 1,350, respectively.

In any case, by calculating the exemptions on the basis of square footage, this bill would ensure that the exemptions stay in play despite inflation or any other reasons for the cost of the work increasing. Most other states calculate all or some of their exemptions by looking at square footage or other non-cost-based metrics.<sup>1</sup>

Thank you for the opportunity to testify.

Ted Kefalas
Director of strategic campaigns
Grassroot Institute of Hawaii

<sup>1</sup> "Statutory Exemptions to the Practice of Architecture," American Institute of Architects, September 2012.

## Testimony of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects

# Before the Senate Committee on Housing Tuesday, January 30, 2024 1:00 p.m. Conference Room 225 and Videoconference

### On the following measure: S.B. 1461, RELATING TO BUILDING INDUSTRY PROFESSIONALS

Chair Chang and Members of the Committee:

My name is Sheena Choy and I am the Executive Officer of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board). The Board will discuss this bill at its February 8, 2024, board meeting, after which it will be able to provide this committee an official position. The Board has historically opposed similar measures.

The purposes of this bill are to: (1) amend the exemption from the requirement that plans and specifications for construction projects be prepared, and construction observed by a licensed engineer, architect, or landscape architect to be determined by floor area of work rather than estimated cost; and (2) exempt one- or two-storied structures that are used primarily as a residence from such requirements.

Historically, the Board is concerned that the proposed amendment will significantly increase the scale and scope of work for projects serviced by an unlicensed professional, thereby jeopardizing the health, safety, or welfare of consumers. Moreover, eliminating the existing cost valuation-based caps, makes it difficult to limit the type of unlicensed renovation or construction that may be allowable. For example, the 1,200 square foot exemption provided by this bill would allow construction of a two-bedroom, one-bath home without the oversight of a licensed design professional. The Board would have no recourse to take action against an unlicensed person who provides substandard plans.

In the past, the Board has questioned the amendment to subsection (b), lines 13 to 16, as work on residential structures is typically done by licensed structural engineers

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and is outside the scope of work of licensed civil engineers as defined in HAR section 16-115-2.

Finally, the Board has noted in the past that, HRS section 464-13, may not be the appropriate section to amend if the intent of the measure is to allow larger construction projects to proceed without the need to hire licensed design professionals. The intent of this section, created in 1931, was to allow smaller-scale repairs without the requirement of a licensed design professional's seal, where the work involved was to be relatively small in cost and in scope. To account for the rise in construction and material costs, the cost valuation-based exemptions for one- and two-storied residences were updated by Act 177, Session Laws of Hawaii 2023.

Thank you for the opportunity to testify on this bill.

<u>SB-1461</u> Submitted on: 1/29/2024 9:39:56 AM

Testimony for HOU on 1/30/2024 1:00:00 PM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Daniel G. Chun	Individual	Oppose	Written Testimony Only

### Comments:

I am STRONGLY OPPOSED to SB1461 due to adverse effect on consumer protection and public safety.