

STAND. COM. REP. NO. **787**

Honolulu, Hawaii

**FEB 14**, 2025

RE: H.B. No. 420  
H.D. 2

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 420, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REMEDIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify the statute of repose to make it clear that it applies to contract, tort, and statutory claims, fraudulent concealment is not a defense with respect to the repose period, and require a violation of a building code to be material to be actionable;
- (2) Clarify the required contents of a notice of claim of construction defect served on a contractor;
- (3) Amend the process and time frame for a claimant to accept a contractor's offer to settle or inspect and authorize the contractor to proceed with repairs;
- (4) Limit the amount a claimant can recover if the claimant rejects a contractor's reasonable proposal for inspection or a reasonable offer to remedy; and

- (5) Clarify the consequences of rejecting an offer of settlement.

Your Committee received testimony in support of this measure from the International Union of Operating Engineers Local 3; Hawai'i Regional Council of Carpenters; General Contractors Association of Hawaii; Holomua Collaborative; Hawaii Laborers & Employers Cooperation and Education Trust; Chamber of Commerce Hawaii; Mutual Housing Association of Hawai'i, Inc.; Malachi Cleaning, Inc.; Hawai'i Association of REALTORS; R. M. Towill Corporation; Paradigm Construction LLC; A-Plus Seamless Rain gutters, Inc.; Z Contractors Inc.; KY International Inc.; Stanford Carr Development, LLC; Newport Pacific Cabinets, Inc.; Hawaii Operating Engineers Industry Stabilization Fund Political Action Committee; Building Industry Association of Hawaii; Hawai'i YIMBY; Sinclair Drywall, Inc.; Island Flooring; Castle & Cooke Homes Hawaii, Inc.; Tru-Door Hawaii; Vinyl Tech and Masonry, Inc.; Hawaii Fence Builders; Kapolei Chamber of Commerce; Gentry Homes, Ltd.; Housing Hawai'i's Future; D.R. Horton Hawaii; Commercial Sheetmetal Co., Inc.; Haseko Development, Inc.; Pacific Resource Partnership; and numerous individuals. Your Committee received testimony in opposition to this measure from LippSmith LLP; Palehua Townhouse Association; Kasdan Turner Thomson Booth, LLC; AARP Hawai'i; and six individuals.

Your Committee finds that the lack of affordable housing in Hawaii has led to a crisis of increasing homelessness and migration of residents to the continental United States. Your Committee further finds the rising costs of insurance for developers and improvers of real property have contributed to the increased cost of housing and are a direct result of litigation for construction defects. This measure will deter broad and frivolous claims by requiring evidence of the defect and limiting recovery if an offer is unreasonably rejected.

Your Committee has amended this measure by:

- (1) Deleting language that barred the defense of fraudulent concealment;
- (2) Specifying that, if a plaintiff invokes the doctrine of fraudulent concealment to toll the limitation and the plaintiff fails to plead with particularity the claim of fraudulent concealment, then the plaintiff is liable for



the costs incurred by the defendant, including attorneys' fees and costs directly related to responding to the claim; and

- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 420, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Judiciary & Hawaiian Affairs in the form attached hereto as H.B. No. 420, H.D. 2.

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



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SCOT Z. MATAYOSHI, Chair



**Record of Votes of the Committee on Consumer Protection & Commerce**

<b>Bill/Resolution No.:</b> HB 420, HD1	<b>Committee Referral:</b> HSG, CPC, JHA	<b>Date:</b> 2/12/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)				/
2. CHUN, Cory M. (VC)	/			
3. ILAGAN, Greggor	/			
4. ICHIYAMA, Linda	/			
5. IWAMOTO, Kim Coco			/	
6. KONG, Sam Satoru	/			
7. LOWEN, Nicole E.				/
8. MARTEN, Lisa	/			
9. TAM, Adrian K.				/
10. PIERICK, Elijah			/	
<b>TOTAL (10)</b>	<b>5</b>		<b>2</b>	<b>3</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> <u>          Lisa Mats          </u>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				