

Honolulu, Hawaii

FEB 19 , 2026

RE: H.B. No. 1743
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 1743 entitled:

"A BILL FOR AN ACT RELATING TO THE OWNER-BUILDER EXEMPTION,"
begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the leasing restriction on owner-builders who obtain an owner-builder exemption; and
- (2) Require an owner or lessee to provide a signed written notice when a residential structure offered for lease or sublease was built or improved by an unlicensed individual.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS; Housing Hawai'i's Future; Grassroot Institute of Hawaii; Building Industry Association of Hawaii; and one individual. Your Committee received testimony in opposition to this measure from the Subcontractors Association of Hawaii. Your Committee received comments on this measure from the Contractors License Board.

Your Committee finds that under existing law, an owner-builder who has an owner-builder permit to act as their own



general contractor cannot sell or lease, or offer to sell or lease, a structure that was built under an owner-builder exemption until one year after completion. The existing restriction on leasing means that property owners who could offer units in Hawaii's rental market are unable to do so during this one-year period. This measure will complement many of the strategies now being used to ease the State's housing shortage by eliminating this lease restriction.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1743, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Housing,

LUC

LUKE A. EVSLIN, Chair



Record of Votes of the Committee on Housing

Bill/Resolution No.: HB1743	Committee Referral: HSC, CPC	Date: 2/18/26		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <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)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. EVSLIN, Luke A. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			
3. COCHRAN, Elle		✓		
4. GRANDINETTI, Tina Nakada	✓			
5. KILA, Darius K.	✓			
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.	✓			
9. PIERICK, Elijah	✓			
TOTAL (9)	8	1	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				