

# ***SAH - Subcontractors Association of Hawaii***

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February 18, 2026

Testimony To: House Committee on Housing  
Representative Luke A. Evslin, Chair  
Representative Tyson K. Miyake, Vice Chair

Presented By: Tim Lyons, Legislative Chair

Subject: H.B. 1743 - RELATING TO OWNER-BUILDER EXEMPTION.

Chair Evslin, Vice Chair Miyake and Members of the Committee:

I am Tim Lyons, Legislative Chair of the Subcontractors Association of Hawaii. The SAH represents the following ten separate and distinct contracting trade organizations.

HAWAII FLOORING ASSOCIATION

ROOFING CONTRACTORS ASSOCIATION OF HAWAII

HAWAII WALL AND CEILING INDUSTRIES ASSOCIATION

ELECTRICAL CONTRACTORS ASSOCIATION OF HAWAII

TILE CONTRACTORS ASSOCIATION OF HAWAII

PLUMBING AND MECHANICAL CONTRACTORS ASSOCIATION OF HAWAII

SHEETMETAL AND AIR CONDITIONING NATIONAL CONTRACTORS ASSOCIATION OF HAWAII

PAINTING AND DECORATING CONTRACTORS ASSOCIATION

PACIFIC INSULATION CONTRACTORS ASSOCIATION

HAWAII ARCHITECTURAL GLASS AND METAL ASSOCIATION

We oppose this bill.

It is our suspicion that the Committee is not aware of the huge problem that unlicensed contractors present today. We are talking about a multi-million-dollar business that goes unreported and much of it unenforced.

The Legislature passed Chapter 444 HRS for licensing of contractors because there are some, unfortunately, "bad actors" in the industry. This chapter provides a variety of homeowner protections when dealing with contractors including requirements for written contracts, Disclosure of Lien Rights and The Right to Repair. An individual who is eligible for an exemption from contractor licensing is not able to offer those protections to their customers. The owner-builder exemption exists, in our opinion, primarily because while the Legislature passed the law requiring licensing of contractors, at the same time they could recognize that if an individual wants to build a house for their own use and it falls down, then that's their problem. Entering into this type of arrangement for structures that are leased or subleased is not a good step forward.

We note that the unlicensed contractor would have to provide a statement to the leasee that they are aware that it was built with an exemption from the licensing laws and the protections that it offers. Unfortunately, we find this notice to be fairly worthless. If people cared that much about using a licensed contractor there would not be a multi-million-dollar unlicensed activity continuing on in the State.

We recognize the housing problem. We also recognize the fact that an owner building a structure for their own use has an exemption however, when someone gets into the business of leasing a structure as a business enterprise, we do not think that it is justifiable to have them exempt from the licensing laws and the consumer protection provisions that Chapter 444 offers.

Based on the above, we oppose this bill.

Thank you.

February 18, 2026

**The Honorable Luke A. Evslin, Chair**

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

**RE: House Bill 1743, Relating to the Owner-Builder Exemption**

**HEARING: Wednesday, February 18, 2026, at 10:00 a.m.**

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** House Bill 1743 which repeals the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale. Requires an owner or lessee to provide signed written notice that a residential structure offered for lease or sublease was built or improved by an individual who is not a licensed contractor

An owner-builder is a property owner who has an owner-builder permit from the county to build or improve residential structures on a property for personal use or by their immediate family. As an owner-builder, one acts as their own general contractor, ensuring that all applicable laws, building codes, and zoning regulations are followed amongst other requirements. Additionally, a property owner may not apply for another owner-builder permit for three years.

Under current law, an owner-builder cannot sell or lease, or even offer to sell or lease the structure for one year after completion. The current restriction on leasing means that owner-builders that could offer units on Hawaii's rental market are unable to do so in that period. We support eliminating the one-year lease restriction for owner-builders to assist with increasing the supply of homes for Hawaii's rental market.

Mahalo for the opportunity to testify in support of this measure.

**Testimony of the Contractors License Board**

**Before the  
House Committee Housing  
Tuesday, February 18, 2026  
10:00 a.m.  
Conference Room 430 and Via Videoconference**

**On the following measure:  
H.B. 1743, RELATING TO THE OWNER-BUILDER EXEPTION**

Chair Evslin, and Members of the Committee:

My name is Kerrie Shahan, and I am the Executive Officer of the Contractors License Board (Board). The Board will review this bill at its next publicly noticed meeting on February 20, 2026; however, the Board has opposed similar bills in the past.

The purpose of the bill is to (1) repeal the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale, and (2) require an owner or lessee to provide signed written notice that a residential structure offered for lease or sublease was built or improved by an individual who is not a licensed contractor.

The Board has historically opposed similar measures as the purpose of the one-year lease restriction and the requirement that the structures be built for the owner builder's own use, or for use by their grandparents, parents, siblings, or children, is to prevent the use of the owner-builder exemption to circumvent contractor licensing requirements. Lifting this limitation conflicts with the Board's objective to protect the health, safety and welfare of persons contracting with the construction industry and afford the public effective and practical protection against the incompetent, inexperienced, unlawful, and unfair practices of unlicensed contractors.

The owner builder exemption permits an owner or lessee to act as their own general contractor. They are responsible for supervising the construction, ensuring that subcontractors are properly licensed, and ensuring work safety standard are met. The owner-builder is also responsible for ensuring the project passes building codes and building inspections, and that the project complies with employment and tax laws for

any persons working on the project who are not licensed. The average homeowner would not have adequate construction knowledge to carry out the responsibilities of a general contractor. A licensed general building contractor is required to have at least four years of supervisory experience constructing buildings from foundation to roof and possess knowledge of the laws that they are required to follow such as Occupational Health and Safety requirements, building codes, and tax and labor laws.

Unlicensed contractors take advantage of owners by convincing them that the owner-builder exemption allows owners to build using unlicensed contractors. Unlicensed contractors may not have the knowledge, training, and skills which could lead to construction defects. Owner-builders are at a disadvantage because unlicensed contractors do not warranty their workmanship and substandard workmanship could jeopardize the safety of the occupants.

The owner-builder exemption law has been amended several times since 1974 to narrow the exemption in order to control and abate the unlawful activities of unlicensed contractors. This bill removes a crucial requirement which currently curtails unlicensed contracting. It lessens the restrictions on the owner builder exemption and allows anyone who owns or leases property to be exempt from the contractor licensing requirements. Removing the requirement that the structure be built for use by the owner-builder or their family permits anyone who owns land, including real estate investors, to build without a licensed general contractor. This was never the intent of the owner-builder exemption.

This bill undermines the contractor licensing law and contradicts the intent of the owner builder exemption by removing controls and safeguards that were enacted to protect the public from the dangers of unlicensed contracting activity. The Board respectfully requests that this bill be held.

Thank you for the opportunity to testify on this bill.

February 18, 2026

TO: Chair Evslin and Members of the House Committee on Housing  
RE: HB 1743, Relating to the Owner-Builder Exemption

Dear Chair Evslin and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

**We support House Bill 1743.** This measure addresses the regulatory barriers that limit the supply of rental housing, particularly by revising the owner-builder exemption and associated leasing restrictions.

The bill's repeal of the leasing restriction for owner-builders who do not offer their structures for sale could expand the pool of available rental units. By allowing individuals to lease or sublease homes they have built or improved under the owner-builder exemption, the measure recognizes the realities faced by families and small landowners seeking to provide housing for others.

This approach aligns with our mission to support practical solutions that address Hawaii's ongoing housing shortage. **Please advance House Bill 1743.**

Thank you,



Lee Wang  
Executive Director  
Housing Hawai'i's Future  
[lee@hawaiifuture.org](mailto:lee@hawaiifuture.org)



Perry Arrasmith  
Director of Policy  
Housing Hawai'i's Future  
[perry@hawaiifuture.org](mailto:perry@hawaiifuture.org)

Feb. 18, 2026, 9 a.m.  
Hawaii State Capitol  
Conference Room 430 and Videoconference

**To: House Committee on Housing**  
**Rep. Luke Evslin, Chair**  
**Rep. Tyson Miyake, Vice Chair**

**From: Grassroot Institute of Hawaii**  
**Ted Kefalas, Director of Strategic Campaigns**

RE: TESTIMONY IN SUPPORT OF HB1743 — RELATING TO THE OWNER-BUILDER EXEMPTION

Aloha chair, vice chair and other committee members,

The Grassroot Institute of Hawaii **supports** [HB1743](#), which would remove leasing restrictions for homeowners who act as their own contractors on construction projects.

So-called owner-builders currently can build homes for themselves or their families on their own land, but they cannot either sell or lease the structures within a year of construction.

The state of California allows owner-builders to lease homes under its owner-builder exemption,<sup>1</sup> so there is already some precedent for this type of change.

Removing this bit of red tape would help Hawaii homeowners who are interested in building extra units on their land, and it would complement many of the other strategies being implemented to ease the state's housing shortage.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

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<sup>1</sup> [Cal. Bus. & Prof. Code § 7044.](#), accessed Jan. 22, 2026.



**HAWAII STATE HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOUSING  
Conference Room 430  
State Capitol  
9:00 AM**

February 18, 2026

Subject: HB 1743 - RELATING TO THE OWNER-BUILDER EXEMPTION

Chair Hashem, Vice Chair Morikawa, and members of the Committee:

My name is Roseann Freitas, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in support of HB 1743, Relating to the Owner-Builder Exemption, This bill repeals the leasing restriction on owner-builders who obtain an owner-builder exemption to act as their own contractor and who build or improve residential or farm buildings or structures on property they own or lease and do not offer the buildings or structures for sale.

Under current law, individuals who obtain an owner-builder exemption and construct or improve a residential or farm structure on property they own or lease are restricted from leasing the structure. This limitation constrains housing supply, particularly in rural and neighbor island communities where owner-builders often play a significant role in construction.

Hawaii's housing challenges require a comprehensive and practical approach. HB 1743 is a reasonable measure that increases flexibility, supports housing availability, and protects consumers through clear notice requirements.

We appreciate the opportunity to provide our comments on this matter.

**HB-1743**

Submitted on: 2/13/2026 7:15:22 PM

Testimony for HSG on 2/18/2026 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Let's remove every barrier to housing construction in Hawaii. I urge the committee to **SUPPORT** HB1743!