
A BILL FOR AN ACT

RELATING TO CONTRACTORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that chapter 444, Hawaii
2 Revised Statutes, requires that a licensed contractor be hired
3 for any construction work that costs more than \$1,000 or that
4 requires a building permit. However, the handyman exemption to
5 chapter 444, Hawaii Revised Statutes, allows the hiring of a
6 person not licensed as a contractor if the total value of the
7 project, including labor and materials, is equal to or less than
8 \$1,000.

9 The legislature further finds that as housing costs have
10 increased in Hawaii, the cost of housing materials has also
11 increased. As a result, small home repair projects may easily
12 exceed \$1,000. Additionally, Act 195, Session Laws of Hawaii
13 2009, increased the monetary sanctions for engaging in
14 contracting without the required license in violation of the
15 contractors licensing law. Fines were increased from \$500 to
16 \$2,500 for the first offense and from \$1,000 to \$3,500 for the
17 second offense. This represents a fivefold increase in the



1 amount of the first offense and over a threefold increase in the
2 second offense fine.

3 Despite an increase in costs and a shortage of licensed
4 contractors, the handyman exemption amount has not been
5 increased since 1992. Accordingly, the legislature finds that
6 in order to combat high housing costs, the handyman exemption
7 should be expanded to provide faster, easier access to
8 construction services for smaller projects.

9 It is necessary to raise the handyman exemption from \$1,000
10 to \$5,000 for several reasons. First, increasing the exemption
11 threshold brings the exemption more in line with the increased
12 fines imposed by Act 195 and reduces that law's potential impact
13 on handymen who take on small projects in good faith and face
14 rising materials costs. Second, raising the handyman exemption
15 will help landlords and homeowners reduce the costs of
16 maintaining a home or for repairs to make rentals marketable.
17 Finally, in rural parts of the State, it is often difficult to
18 find licensed contractors because the job is either too small or
19 contractors are not available.



1 The purpose of this Act is to raise the threshold under the
2 contractor licensing law's handyman exemption from \$1,000 to
3 \$5,000.

4 SECTION 2. Section 444-2, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§444-2 Exemptions.** This chapter shall not apply to:

7 (1) Officers and employees of the United States, the
8 State, or any county while in the performance of their
9 governmental duties;

10 (2) Any person acting as a receiver, trustee in
11 bankruptcy, personal representative, or any other
12 person acting under any order or authorization of any
13 court;

14 (3) A person who sells or installs any finished products,
15 materials, or articles of merchandise that are not
16 actually fabricated into and do not become a permanent
17 fixed part of the structure, or to the construction,
18 alteration, improvement, or repair of personal
19 property;

20 (4) Any project or operation for which the aggregate
21 contract price for labor, materials, taxes, and all



1 other items is not more than [~~\$1,000.~~] \$5,000. This
2 exemption shall not apply in any case where a building
3 permit is required regardless of the aggregate
4 contract price, nor where the undertaking is only a
5 part of a larger or major project or operation,
6 whether undertaken by the same or a different
7 contractor or in which a division of the project or
8 operation is made in contracts of amounts not more
9 than [~~\$1,000~~] \$5,000 for the purpose of evading this
10 chapter or otherwise;

11 (5) A registered architect or professional engineer acting
12 solely in the person's professional capacity;

13 (6) Any person who engages in the activities regulated in
14 this chapter as an employee with wages as the person's
15 sole compensation;

16 (7) Owner-builders exempted under section 444-2.5;

17 (8) Any joint venture if all members thereof hold licenses
18 issued under this chapter;

19 (9) Any project or operation where it is determined by the
20 board that less than ten persons are qualified to
21 perform the work in question and that the work does



H.B. NO. 1877

Report Title:

Contractors; Exemptions

Description:

Raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$5,000.

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