
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 fine and over a threefold increase
2 in the 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 The legislature finds that it is necessary to raise the
10 handyman exemption for several reasons. First, increasing the
11 exemption threshold brings the exemption more in line with the
12 increased fines imposed by Act 195 and reduces that law's
13 potential impact on handymen who take on small projects in good
14 faith and face rising materials costs. Second, raising the
15 handyman exemption will help landlords and homeowners reduce the
16 costs of maintaining a home or for repairs to make rentals
17 marketable. Third, in rural parts of the State, it is often
18 difficult to find licensed contractors for these projects
19 because the job is either too small or contractors are not
20 available. Finally, if the exemption threshold remains as it
21 is, senior citizens who are unable to find contractors may be



1 forced to attempt dangerous repairs themselves, thereby placing
2 senior citizen homeowners at risk of injury.

3 However, the legislature also recognizes the need to ensure
4 sufficient safeguards are in place regarding the handyman
5 exemption to ensure continued consumer protection and public
6 safety.

7 The purpose of this Act is to:

- 8 (1) Broaden the contractor licensing law's handyman
9 exemption threshold amount by increasing the aggregate
10 contract price total for labor, materials, taxes, and
11 other items to no more than \$1,500 per project;
- 12 (2) Limit the handyman exemption to residential repairs
13 and minor renovation projects;
- 14 (3) Require handymen to provide their name and contact
15 information to the department of commerce and consumer
16 affairs; and
- 17 (4) Require the department of commerce and consumer
18 affairs to report to the legislature annually on
19 complaints received concerning handymen.

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

1 "§444-2 Exemptions. This chapter shall not apply to:

2 (1) Officers and employees of the United States, the
3 State, or any county while in the performance of their
4 governmental duties;

5 (2) Any person acting as a receiver, trustee in
6 bankruptcy, personal representative, or any other
7 person acting under any order or authorization of any
8 court;

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

15 (4) Any project or operation for which the aggregate
16 contract price for labor, materials, taxes, and all
17 other items is not more than [~~\$1,000.~~] \$1,500;
18 provided that the project or operation is limited to
19 residential repairs or minor renovation projects.

20 This exemption shall not apply in any case where a
21 building permit is required regardless of the



1 aggregate contract price, nor where the undertaking is
2 only a part of a larger or major project or operation,
3 whether undertaken by the same or a different
4 contractor or in which a division of the project or
5 operation is made in contracts of amounts not more
6 than [~~\$1,000~~] \$1,500 for the purpose of evading this
7 chapter or otherwise[+]. Any person completing a
8 project or operation under this paragraph shall
9 provide the person's name and contact information to
10 the department in accordance with this paragraph and
11 rules adopted pursuant to chapter 91. The department
12 shall submit an annual report to the legislature no
13 later than twenty days prior to the convening of each
14 regular session, detailing any complaints filed with
15 the department regarding projects or operations
16 performed under this paragraph;

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

19 (6) Any person who engages in the activities regulated in
20 this chapter as an employee with wages as the person's
21 sole compensation;



- 1 (7) Owner-builders exempted under section 444-2.5;
- 2 (8) Any joint venture if all members thereof hold licenses
- 3 issued under this chapter;
- 4 (9) Any project or operation where it is determined by the
- 5 board that less than ten persons are qualified to
- 6 perform the work in question and that the work does
- 7 not pose a potential danger to public health, safety,
- 8 and welfare; or
- 9 (10) Any public works project that requires additional
- 10 qualifications beyond those established by the
- 11 licensing law and which is deemed necessary and in the
- 12 public interest by the contracting agency."

13 SECTION 3. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2050, and
16 shall be repealed on June 30, 2024; provided that section 444-2,
17 Hawaii Revised Statutes, shall be reenacted in the form in which
18 it read on the day prior to the effective date of this Act.

19



S.B. NO. 767
S.D. 1

Report Title:

Contractors; Handyman Exemption; DCCA; Registration

Description:

Raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$1,500. Requires handymen to provide their name and contact information to the department of commerce and consumer affairs. Requires the department of commerce and consumer affairs to report to the legislature. Sunsets June 30, 2024. Effective July 1, 2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

