

February 3, 2009

**The Honorable Norman Sakamoto, Chair**  
Senate Committee on Education and Housing  
State Capitol, Room 225  
Honolulu, Hawaii 96813

**RE: S.B. 205 Relating to Owner-Builders**

**HEARING DATE:** Wednesday, February 4, 2009 at 1:15 p.m.

Aloha Chair Sakamoto and Members of the Committee on Education and Housing:

On behalf of our 9,600 members in Hawai'i, the Hawai'i Association of REALTORS® (HAR) **opposes** S.B. 205 which increases the restriction on post-construction sale from 1 to 2 years and limits availability of owner-builder permits to once every 3 years instead of 2 years.

The purpose of the owner-builder exemption at Hawai'i Revised Statutes § 444-2 is to allow an individual homeowner to act as his/her own contractor for building or improving their residence. This provision operates to exempt persons who qualify as an owner-builder from the contractors' licensing law. Exempted owner-builders are still required to comply with all laws including hiring and supervision of licensed workers such as plumbers and electricians.

HAR opposes the increase of time limits as proposed in S.B. 205, and believes that this provision unduly restricts private property rights. While the proposed measure exempts owners-builders who experience certain unforeseen circumstances, (i.e. death, divorce or unemployment), there may be other financial hardships, such as unforeseen construction costs, that may cause an owner-builder to wish to sell the property. During these challenging economic times, imposing a more stringent limitation on an owner-builder's ability to sell his/her property seems unjustified.

HAR asks that the impacts of S.B. 205 be carefully considered, and respectfully asks that this bill be held.

Mahalo for the opportunity to testify.