

## **CONTRACTOR FREQUENTLY ASKED QUESTIONS**

### **What are the requirements for a contractor license?**

[Click here to view or download the requirements and application form.](#)

### **When is a contractor license required?**

Generally, anyone who offers, holds oneself out as able to, or contracts to perform residential, commercial, or public works construction, alterations, or improvements must hold a contractor license.

### **Is there an exemption from the license requirement for “handyman” work?**

A license is not required if the aggregate contract price for the project, including labor, materials, taxes, and all other items, is not more than \$1,000.00 and does not require a building permit. This exemption does not apply to electrical or plumbing work requiring a permit. Furthermore, even if an electrical or plumbing permit is not required by the county on a particular project, the work may still have to be performed by a licensed electrician or plumber.

### **Can I perform work on my own property without a contractor license?**

Owners or lessees of property may build or improve structures on the property for their own use without a contractor license. This exemption does not apply to electrical or plumbing work, and the structure may not be offered for sale or lease within a year of completion. The owner-builder must register as such with the county building department, and must supervise the construction and use only licensed subcontractors.

### **Is a license required to bid on a project?**

Yes. A license is required to offer to undertake work which requires a license.

### **Are suppliers or manufacturers required to have a contractor license?**

Merely supplying material or equipment does not require a contractor license. However, a license is required to bid for or perform the installation work, even if the installation work will be subcontracted to a licensed contractor.

### **Do joint ventures need to be licensed?**

Joint ventures and partnerships must be licensed when any party does not hold a contractor license. If all parties are licensed, written notification to the Board of the joint venture is required.

### **Does Hawaii have reciprocity agreements with other states?**

No. All applicants must meet the same licensing and examination requirements.

### **What are the different license classifications?**

The Board licenses general engineering contractors (fixed works projects such as highways, tunnels, bridges, harbors, drainage, and water power), general building contractors (construction of structures involving more than two unrelated building trades), and specialty contractors (see Chapter 77, HAR, Exhibit A, for a list and description of the specialty contractor classifications).

**Can an individual be the responsible managing employee for more than one contracting entity?**

Upon approval by the Board, an individual may be the responsible managing employee for more than one contracting entity if there is a common ownership of at least 51% of the equity between the two entities, one entity is a subsidiary or joint venture of the other, or there is a direct family relationship between the responsible managing employee and the officers or directors of one of the contracting entities.

**What is the licensing process?**

Applications for licensure must be submitted to the Board by the 20<sup>th</sup> of the month for review by the Board during the following month. (The Board does not review applications or meet in December.) Once the application is approved, the qualifying individual or responsible managing employee must successfully complete the appropriate licensing examinations. Upon completion of the examination process, the applicant must submit license fees, and proof of liability and workers compensation insurance.

**What are the fees involved in obtaining and maintaining licensure?**

Application fee - \$50.00 per application. You may apply for more than one classification per application. A separate application is required for each contracting entity and RME.

Examination fee - \$75.00 per part. Most classifications require the completion of two parts (Part I – Business & Law, and Part II – Trade).

License fee – Contracting entity - \$545.00 if licensed between October 1st of the even-numbered year and September 30th of the odd-numbered year, and \$415.00 if licensed between October 1st of the odd-numbered year and September 30th of the even-numbered year.

License fee - RME - \$335.00 if licensed between October 1st of the even-numbered year and September 30th of the odd-numbered year, and \$255.00 if licensed between October 1st of the odd-numbered year and September 30th of the even-numbered year.

Renewal fee - \$275.00 for contracting entities, and \$160.00 for responsible managing employees.

**What are the requirements to renew a contractor license?**

All licenses expire on September 30th of the even-numbered year. Renewal applications are mailed to all current licensees approximately 45 days before the license expires. Licensees must submit their renewal application and all required documents and fees by September 30 of the even-numbered year. Business entities must submit a current tax clearance from the State Department of Taxation with their renewal application. The Board may accept a letter from the State Department of Taxation confirming a tax payment arrangement in lieu of the tax clearance. Verification of current liability and workers' compensation insurance may be required if the insurance expires prior to September 30. Responsible managing employees are not required to submit a tax clearance or insurance information.

**What happens if the contractor license is not renewed before it expires?**

If the license is not renewed by September 30 of the even-numbered year, the license is forfeited. The licensee has 60 days from the expiration date to restore the forfeited license by submitting all required documents and fees, including a late renewal fee. If the license is not restored within the 60-day period, then the licensee will be treated as a new applicant when applying to restore the license.

**How can I find out if a person is licensed as a contractor?**

[Click here for the web site to verify a license](#), or call (808) 587 3295.

**How do I file a complaint against a contractor?**

[Click here for the web site to the Regulated Industries Complaints Office](#) or call them at (808) 587 3222 and select menu option #3.