



State of Hawaii

February 2024

Real Estate Commission Bulletin

unlicensed contractor
violation

4 Administrative Actions

October 2023

**CHARLOTTE K GRAHAM and
GRAHAM PROPERTIES, INC.**
RB-10706
RB-14902

Uncontested Facts:

At all times relevant herein, Respondent Graham was the designated principal broker of and for Respondent GPI.

Violations:

HRS §436B-19(6)

Sanctions:

Fine: \$4,000.00

REC 2019-580-L

Dated 10/27/2023

(Commission approved settlement agreement)

RICO Allegations:

On or about March 2019, in the City and County of Honolulu, State of Hawaii, Respondents, CHARLOTTE K. GRAHAM and GRAHAM PROPERTIES, INC., hired an unlicensed contractor to perform renovation and remodeling work for an Ewa Beach apartment under Respondents' management. The value of such work exceeded \$1000.00, labor and materials inclusive. By the acts, omissions, and conduct alleged herein above, RICO alleges that Respondents did aid and abet an unlicensed person to perform activities requiring a license. Respondents have fully cooperated with RICO'S investigation into this matter. RICO has already resolved the licensing issues against the unlicensed contractor, through a separate legal action.

*** Q. What about plugged drains? Does that require a plumber?**

No, unclogging or snaking drains does not require a plumber and that can be performed by a homeowner or handyman.

Q. What can you do if the handyman you hire doesn't do a good job or leaves without finishing?

If none of the work was performed, you can contact the police because your money was essentially stolen. If the work is partly performed or performed poorly, then you could file a court complaint. If the amount in dispute is \$5,000 or less, you can take the case to Small Claims Court, and you don't need a lawyer.

Q. Does the handyman have to give you an estimate or cost breakdown between materials and labor, and what's the best way to handle payment to a handyman (e.g. onsite check, credit card payment after invoice)?

There are no laws specifically applying to handymen, so they are not required to provide a cost breakdown. For your own benefit, you should ask for the breakdown and a clear description of the work to be performed.

Q. If you do need a licensed electrician or plumber to handle a home repair, what's the best way to find one?

Ask friends and family for recommendations. If it is not an emergency situation, we recommend getting three (3) estimates and checking to see if they have any complaints against them.

Q. Can an electrician or plumber use a helper or apprentice and are there limitations on what a helper or apprentice can do?

There are no limitations on what a helper or apprentice can do if they are supervised by a licensed electrician or plumber. **The licensee must be at the project site** but does not have to be right next to the helper or apprentice. Also, each licensee can only have one unlicensed helper or apprentice on a job. If the helper or apprentice makes a mistake and causes damage, the homeowner can contact an attorney for assistance or file a complaint with RICO against the licensee.

Disclaimer: this material is intended for informational purposes only and does not constitute legal advice. The law varies by jurisdiction and is constantly changing. For legal advice, you should consult a lawyer that can apply the appropriate law to the facts in your case.

Q. If I need a few different kinds of work performed, can I hire several people to perform different parts of the work, as long as they are each paid less than \$1,500?

Not necessarily. It depends on whether the work is performed all around the same time or over a long period of time. If all the work is performed around the same time and the total cost of all the work and materials totals \$1,500 or more, you need a licensed contractor to perform the work. For example, your handyman comes on a weekend and fixes your loose front steps for \$250, paints a room for \$300, fixes and paints your wooden fence for \$600 (including \$100 of paint), and touches up the walls in your garage for \$300. Since all of these jobs total \$1,550, a licensed contractor would be required to do the work. Even if your handyman or several handymen invoices each part separately, it is one project at one location. Also, if you're having a licensed contractor perform a renovation in your residence, the handyman exemption cannot be applied to one part of that renovation. So, if you think the work is going too slowly and you find someone else to perform a part of the work, the total cost of labor and materials for the WHOLE renovation is counted toward the \$1,500 limit.

Q. Is there any type of work a handyman is not allowed to do?

Yes, a handyman is not allowed to perform electrical or plumbing work. Hawaii is a dual licensing state which means two licenses are required for some kinds of work that requires more protection of the health, safety, and welfare of the public, such as electrical work and plumbing work. Electrical work is more than removing or putting in new wires, it includes changing or putting in new lighting fixtures. Plumbing work is more than working on pipes, it includes putting in plumbing fixtures or changing faucets, water heaters, and appliances that attach directly to plumbing. Any fixture that requires attachment to an electrical wire or a plumbing pipe, like changing a sink faucet or light fixture, requires a licensed electrician or plumber.

Under the law, even a homeowner should not be performing electrical or plumbing work in their own residence. A homeowner is allowed to perform emergency plumbing work if it is their principal place of residence and does not involve or require rearrangement of valves, pipes, or fixtures. But homeowner emergency repairs are not allowed on sewer lines, drains, gas lines and fixtures being served with backflow devices (which includes heaters, water closets, dishwashers, and garbage disposal units). Even if you see toilets and garbage disposals for sale at home improvements stores and there are lots of YouTube videos on installation, the laws state that you must hire a plumber to do the installation.

Q. Would a homeowner get in trouble for doing their own electrical work or plumbing work?

Homeowners don't usually make a complaint against themselves for work they performed in their own home. But it is a violation of State law, and RICO could open a case for a potential violation and seek a fine of up to \$5,000 for each violation and restitution for any damages caused by the unlicensed work, as they do for a handyman who performs unlicensed electrical work or plumbing work. For example, if you live in an apartment or condominium and perform faulty plumbing work

When can I use a Handyman instead of a Licensed contractor?



When can you use handyman instead of licensed contractor© Provided by KHON Honolulu

Wendy Utsumi, an attorney with the Department of Commerce and Consumer Affairs Regulated Industry Complaints Office (RICO), joins producer/host Coralie Chun Matayoshi to discuss when you can use a handyman instead of a licensed contractor, what kinds of work is a handyman not allowed to do, why it is illegal for you to do your own plumbing and electrical work if you are not a licensed contractor, and what to do if your handyman doesn't do a good job or leaves without finishing.

Q: Homeowners sometimes have small jobs around their house that don't really call for hiring a contractor which can be expensive, and licensed contractors may not be willing to do small jobs. Instead, they may get a handyman or someone they know to perform the work. Is that OK?

Yes. The Hawaii contractor laws recognize that there are some small jobs that do not require a licensed contractor, but there are limitations and rules about the type of work that can be performed by an unlicensed person. First, the work cannot require a building permit. Second, the entire project cannot total more than \$1,500 for labor AND materials.