

STAND. COM. REP. NO.

354

Honolulu, Hawaii

, 2025

FEB 11

RE: H.B. No. 732

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Water & Land, to which was referred H.B. No. 732 entitled:

"A BILL FOR AN ACT RELATING TO SHORELINE MANAGEMENT AREAS,"

begs leave to report as follows:

The purpose of this measure is to increase the valuation of development that determines the necessity of a special management area minor permit or special management area use permit to \$750,000 and require that amount to be increased annually for inflation.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Maui; Department of Planning and Permitting of the City and County of Honolulu; one member of the Maui County Council; and Grassroot Institute of Hawaii. Your Committee received comments on this measure from the Office of Planning and Sustainable Development.

Your Committee finds that inflation and increasing construction costs have made it necessary to adjust the valuation threshold for special management area permits to ensure that regulatory requirements remain aligned with ongoing economic conditions. The existing threshold no longer accurately reflects the cost of development, leading to unnecessary burdens on small-scale projects that do not pose significant environmental risks.

2025-1388 HB732 HD1 HSCR HMSO



By implementing a periodically adjusted development valuation threshold based on inflation, this measure ensures that permit requirements remain relevant and proportionate while maintaining environmental protections.

Your Committee has amended this measure by:

- (1) Requiring the \$750,000 development valuation threshold to be adjusted for inflation every five years, rather than annually;
- (2) Amending the definition of "special management area minor permit" to include developments of single-family residences that are less than 3,500 square feet of floor area and are not part of larger developments;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion;
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 732, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,


for MARK J. HASHEM, Chair



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB 732	Committee Referral: WAL, JHA	Date: 2/4/2025		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)	✓			
2. LAMOSAO, Rachele F. (VC)	✓			
3. BELATTI, Della Au	✓			
4. ICHIYAMA, Linda	✓			
5. IWAMOTO, Kim Coco	✓			
6. MORIKAWA, Dee	✓			
7. POEPOE, Mahina	✓			
8. WOODSON, Justin H.	✓			
9. SHIMIZU, Garner M.	✓			
10. SOUZA, Kanani	✓ RT			
TOTAL (10)	10	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				