

STAND. COM. REP. NO.

1094

Honolulu, Hawaii

, 2025

**FEB 28**

RE: H.B. No. 732  
H.D. 2

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

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 732, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow single-family residences that are less than three thousand five hundred square feet in floor area and not part of a larger development, regardless of development valuation, to be eligible for a special management area minor permit; and
- (2) 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 every five years for inflation.

Your Committee received testimony in support of this measure from the Office of Planning and Sustainable Development; Office of the Mayor of the County of Maui; Department of Planning and Permitting of the City and County of Honolulu; Hawai'i Association of REALTORS; Grassroot Institute of Hawaii; American Institute of

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Architects, Hawai'i State Council; Maui Chamber of Commerce; and one individual.

Your Committee finds that special management areas are areas specially controlled to limit shoreline development to avoid the permanent loss of valuable resources and the foreclosure of planning and management options, while ensuring adequate access, by dedication or other means, to public owned or used beaches, recreation areas, and natural reserves. However, the permit valuation thresholds have not been updated to reflect the rising costs of labor, materials, and development over time. This measure raises the permit valuations to account for the increased costs.

Your Committee has amended this measure by:

- (1) Clarifying when inflation adjustments begin for purposes of a special management area minor permit and special management area use permit; and
- (2) 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 732, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 732, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,



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DAVID A. TARNAS, Chair



