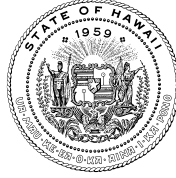


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN  
DEPUTY COMPTROLLER  
KA HOPE LUNA HO'OMALU HANA LAULĀ

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
KEITH A. REGAN, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE

**COMMITTEE ON FINANCE**

FEBRUARY 27, 2023, 10:00 AM  
CONFERENCE ROOM 308 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 1206, H.D. 2

RELATING TO A STATE PERMITTING OFFICE

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee, thank you for the opportunity to submit comments to House Bill (H.B.) 1206, H.D.2, which establishes the State Permitting Office within the Department of Accounting and General Services (DAGS) to process building and infrastructure permits for construction of state-owned buildings, state roads and highways, and other construction on state lands.

We appreciate the intent of this proposed legislation as DAGS is often faced with significant delays directly related to the permitting process. The permitting delays are often due to resource limitations, volume of permits, and the complexity of the projects under review. We recognize the important role that each county plays in processing building and other construction-related permits and, as mentioned in our previous testimony, we've found each county permitting office to be willing to help.

The State does have the ability to exempt itself from the county-driven permitting process if it so desires. DAGS has used this exemption on a very limited basis because we've found this creates more problems than benefits. The language related to the Certificate of Occupancy (CO) and the connection to "county" services will be beneficial in alleviating the concerns we have in exempting our projects.

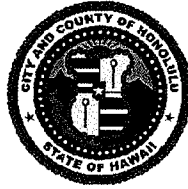
While we appreciate the concept and see merit in the creation of a State Permitting Office for State projects, we would humbly request that the committee consider \$500,000 in funding per fiscal year of the biennium to support the 5-year pilot program efforts, which may include specialized technical research and training, promulgation of rules, and provision of necessary expertise. We pledge to work with each county to develop this new process and necessary statutory language, reporting back to the legislature annually on the progress and outcome of our state-exempted projects.

Thank you for the opportunity to submit testimony on this measure.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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RICK BLANGIARDI  
MAYOR



DAWN TAKEUCHI APUNA  
DIRECTOR DESIGNATE

JIRO SUMADA  
DEPUTY DIRECTOR

February 27, 2023

The Honorable Kyle T. Yamashita, Chair  
and Members of the Committee on Finance  
Hawaii House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Yamashita and Committee Members:

**Subject: House Bill No. 1206, HD 2  
Relating to a State Permitting Office**

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 1206, HD 2, in its current form. The Bill would establish a state permit pilot program within the Department of Accounting and General Services to process building and infrastructure permits for construction of state-owned buildings, state roads and highways, and other construction on State lands.

The DPP takes no position on the creation of a State building permit office. The State already has the authority to exempt itself from the county permitting process. If anything, allowing the State to issue its own building permits would reduce the burden on the DPP as we've processed 1,217 State permits from 2015-2022. However, we cannot support the HD 2, which would require that the counties issue certificates of occupancy once construction is completed. What this is asking is for the counties to blindly approve a project and close a permit that we did not review, comment on, or inspect. Our issuance of a certificate of occupancy will rely on a final inspection by a "state-designated inspector," whose qualifications are not defined in the Bill, and to which the DPP has no oversight or involvement.

Building codes exist for a reason, and that is to ensure the health and safety of a building's occupants and the general public. A permit application is just the beginning of a detailed and involved process to ensure this. Once we approve a permit, it is automatically assigned to various DPP building inspectors, who visit construction sites while the work is ongoing and are involved in the project from start to finish to ensure that the work is being done according to the approved plans. If problems are detected, the inspector will inform the contractor that certain things need to be fixed, even to the point of issuing a notice of violation and stop-work order. Only after the inspectors are

The Honorable Kyle T. Yamashita, Chair  
and Members of the Committee on Finance  
Hawaii House of Representatives  
House Bill No. 1206, HD 2  
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satisfied that the work meets all codes and the structure is safe to occupy, will they issue a certificate of occupancy.

What House Bill No. 1206, HD 2, does is bypass these safety measures and require the counties to trust and rely on an unknown third-party inspector to determine if a building is safe to occupy. We believe if the State is going to issue building permits, then it should also complete the process by closing them with a final inspection and certificate of occupancy. The Committee should therefore consider amending the Bill to include inspections by State inspectors capable and authorized to issue certificates of occupancy.

Also, we oppose the section in this Bill that would give the State the right to connect to county infrastructure services without complying with the requirements of the respective agencies.

In summary, we do not oppose the creation of a State building permit office. But we are opposed to the sections that would require that the counties issue certificates of occupancy, and also allow the State to connect to county infrastructure services without county approval.

For the reasons stated above, we ask that this Bill be held in committee.

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna  
Director