

STAND. COM. REP. NO.

1765

Honolulu, Hawaii

APR 04 2025

RE: H.B. No. 830
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred H.B. No. 830, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION
REVIEWS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Land and Natural Resources, through the State Historic Preservation Division, to contract its review of proposed state projects, projects on privately-owned historic property, and projects affecting historic properties if the proposed project involves a development intended to be affordable housing, to third-party consultants, under certain conditions; and
- (2) Appropriate funds to the State Historic Preservation Division for the recruitment and retention of qualified third-party consultants to expedite review of proposed state affordable housing projects and affordable housing projects affecting historic properties.

Your Committees received testimony in support of this measure from the Hawai'i Association of REALTORS, Grassroot Institute of



Hawaii, NAIOP Hawaii, Maui Chamber of Commerce, and one individual.

Your Committees received testimony in opposition to this measure from the Historic Hawai'i Foundation and one individual.

Your Committees received comments on this measure from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Your Committees find that existing law defines a historic property as any building, structure, object, district, area, or site, including heiau and underwater site, which is over fifty years old. With this current definition, the number of homes and buildings that qualify as a historic property has continued to increase, which can be challenging for homeowners that must comply with the historic preservation review process for permits, even when their properties have no historical significance. Your Committees further find that existing law can be challenging for the State Historic Preservation Division, as the Division will have to review properties simply because the property is over fifty years old, even without historical significance. This measure will streamline the existing system and expedite the existing permit review process to benefit homeowners in the State and reduce burdens on the State Historic Preservation Division.

Your Committees note that this measure would require the State Historic Preservation Division to assign a staff person to identify, certify qualifications of, and manage a third-party consultant, and would therefore require additional resources to effectuate this measure. Your Committees further note that the State Historic Preservation Division would be liable for any determinations made by a third-party consultant, and thus this measure should be amended to require third-party consultants to follow state ethics rules and be prohibited from reviewing any project that the consultant or the consultant's employer has worked on. Your Committees further note that, since any determinations made by the State Historic Preservation Division during the section 6E-8, Hawaii Revised Statutes, review process are subject to appeal, any review under this section completed by a third-party would also be subject to review. Your Committees therefore believe that amendments to this measure are necessary to ensure that the State Historic Preservation Division is able to



reserve the right to determine whether use of a third-party consultant was appropriate and terminate a third-party consultant contract if the consultant has evidenced insufficient compliance with certain rules or statutes or has not completed assigned reviews accurately.

Your Committees also note that the State Historic Preservation Division is hovering at roughly a thirty percent vacancy rate, which is likely due to uncompetitive pay relative to the private sector and federal government. Your Committees believe that outsourcing government work to ensure the timely review of historic properties should be a temporary solution, and the State should strive to become more flexible, competitive, and adaptive to the current job market and public demands for the long-term. Therefore, your Committees believe that this measure should be amended to include a sunset date of two years, which will provide an adequate amount of time for the State Historic Preservation Division to fill these vacancies.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that the Department of Land and Natural Resources may, but is not required to, contract its review of proposed state projects, projects on privately-owned historic property, and projects affecting historic properties if the proposed project involves a development intended to be affordable housing, to third-party consultants, under certain conditions;
- (2) Specifying that in a contract with a third-party consultant for certain review of proposed state projects, the Department of Land and Natural Resources reserves the right to determine whether use of a third-party consultant was appropriate and terminate the contract if the third-party consultant:
 - (A) Has evidenced insufficient compliance with the state historic preservation rules; or
 - (B) Has not completed assigned historic preservation reviews accurately;



- (3) Requiring any third-party consultant retained to review proposed state projects, projects on privately-owned historic property, and projects affecting historic properties to:
 - (A) Follow state ethics rules; and
 - (B) Not review any project that the third-party consultant or the consultant's employer has previously worked on;
- (4) Inserting a blank appropriation amount for the State Historic Preservation Division to fund an unspecified number of positions to oversee third-party consultants;
- (5) Inserting a sunset date of June 30, 2029;
- (6) Amending section 1 to reflect its amended purpose; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 830, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 830, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Ways and Means,

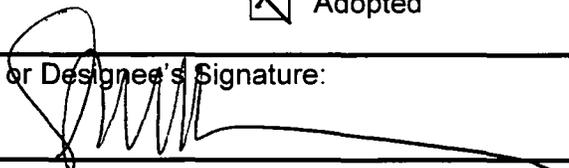

DONOVAN M. DELA CRUZ, Chair


KARL RHOADS, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB880 HDL SD1	Committee Referral: WTL/HOU, JDC/WAM	Date: 4/1/2025		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn				X
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	11	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes