

Honolulu, Hawaii

FEB 11 2025

RE: S.B. No. 161
S.D. 1

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

Sir:

Your Committees on Energy and Intergovernmental Affairs and Government Operations, to which was referred S.B. No. 161 entitled:

"A BILL FOR AN ACT RELATING TO COUNTY PERMITTING AND INSPECTION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Exempt state projects from county building permit, inspection, and certificate of occupancy requirements under certain conditions;
- (2) Prohibit state agencies responsible for state projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits; and
- (3) Require counties to accept the dedication of state projects exempt from the county permitting process.

Your Committees received testimony in support of this measure from the Grassroot Institute of Hawaii and Omizu Architecture, Inc.



Your Committees received testimony in opposition to this measure from the Department of Planning and Permitting of the City and County of Honolulu.

Your Committees received comments on this measure from the Department of Accounting and General Services, Department of Land and Natural Resources, Office of Planning and Sustainable Development, Hawaii Community Development Authority, and one individual.

Your Committees find that the State needs to expedite housing production in areas suited and planned for housing. Exempting the construction of state projects from county building permit, inspection, and certificate of occupancy requirements would allow county building reviewers to focus on private projects, including housing. Your Committees also find that this exemption could also reduce the delay associated with permitting timelines and facilitate the delivery of state projects, including capital improvement projects.

According to testimony received by your Committees, the counties' permitting and inspection processes play an important role in ensuring that development projects are compliant with applicable codes and development requirements adopted to protect public health, safety, and welfare and to mitigate impacts to natural and cultural resources and sensitive environmental areas. As such, your Committees acknowledge the concerns associated with prohibiting exempted state projects from applying for county building permits and requiring the counties to accept dedication of state projects that the county has not reviewed nor inspected.

Your Committees further note that the dedication of State projects to the counties is a collaborative effort and that, rather than exempting projects from county building permit requirements, the State should collaborate with the counties to identify where permitting and development processes can be streamlined without compromising the health, general public, and environment of the State. Amendments therefore are necessary to address these concerns.



Accordingly, your Committees have amended this measure by:

- (1) Deleting language that would have exempted state projects from county building permit, inspection, and certificate of occupancy requirements under certain conditions and replacing it with language that allows state projects to be exempted from county building permit requirements under certain conditions;
- (2) Adding a condition that exempted state projects shall not be located within a special flood hazard area that is identified on the Federal Emergency Management Agency's current Flood Insurance Rate Maps;
- (3) Deleting language that would have:
 - (A) Prohibited state agencies responsible for state projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits; and
 - (B) Required counties to accept the dedication of state projects exempt from the county permitting process;
- (4) Requiring all exempted state projects be included in a report that is regularly made available to the public;
- (5) Allowing state agencies that undertake projects to be dedicated to the counties to prepare programmatic or project-specific agreements that establish requirements and standards for review and county acceptance if the agency wants the project to be exempted from county permit requirements;
- (6) Allowing all state agencies desiring to be exempted from county permitting processes to establish a cooperative working group with the counties and other stakeholders to identify any collective needs at the state level to support the identification of infrastructure adequacy, site development reviews, building permits, inspections, certificates of occupancy, and management of construction records;



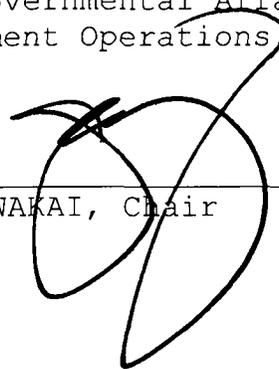
- (7) Allowing cooperative working groups to identify state resources that may be needed to coordinate and integrate such processes with the counties and other stakeholders, consider other actions that may be needed to support state construction activities, such as the establishment of a state development or zoning agency, and be established as a committee or permitted interaction group of an existing board or interagency council;
- (8) Requiring all cooperative working groups to be subject to the State's Sunshine Laws and submit an interim report to the Legislature before the Regular Session of 2026;
- (9) Inserting an effective date of May 13, 2040, to encourage further discussion; and
- (10) 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 Energy and Intergovernmental Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 161, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 161, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Energy and Intergovernmental Affairs and Government Operations



ANGUS L.K. MCKELVEY, Chair



GLENN WAKAI, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

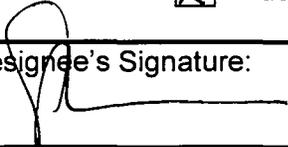
Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

Bill / Resolution No.:* SB161	Committee Referral: EIG/GVO, WAM	Date: 2/4/25		
<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
WAKAI, Glenn (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
FEVELLA, Kurt	✓			
TOTAL	5			
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 Governor's Message per Record of Votes

The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

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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
MCKELVEY, Angus L.K. (C)	X			
GABBARD, Mike (VC)				X
MORIWAKI, Sharon Y.	X			
SAN BUENAVENTURA, Joy A.				X
FEVELLA, Kurt	X			
TOTAL	3	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				

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