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# A BILL FOR AN ACT

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RELATING TO FISCAL SUSTAINABILITY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that maintaining fiscal  
2 sustainability during development is critical. New development  
3 proposals need to be evaluated not only against adopted  
4 development regulations and construction standards, but should  
5 be judged, in part, based on the long-term revenues and costs  
6 incurred by public entities.

7       The legislature further finds that land use planning would  
8 benefit from incorporating a methodology that evaluates existing  
9 and proposed development by their expected fiscal contributions  
10 and ongoing costs for services and infrastructure. Such a  
11 methodology would give decision-makers and the public the  
12 information needed to assess both individual project proposals  
13 and regional investments. The development of such a methodology  
14 requires the assistance of a steering committee and an entity  
15 with the necessary fiscal modeling expertise.

16       Accordingly, the purpose of this Act is to:



(1) Require the office of planning and sustainable development to:

(A) Develop a model to assess the fiscal impacts of land use development projects and regional infrastructure investments; and

(B) Establish a fiscal sustainability steering committee to advise in the development of the model; and

(2) Appropriate funds for the development of the fiscal impact model, related staffing, and support for the steering committee.

SECTION 2. (a) The office of planning and sustainable development shall develop a model to assess the fiscal impacts of land use development projects and regional infrastructure investments. The office may procure consultant services, subject to the requirements of chapter 103D, Hawaii Revised Statutes, for the development and implementation of the fiscal impact model.

(b) The development of the fiscal impact model shall include but not be limited to the following:



(1) A model, customized for each county, that allows for the assessment of fiscal costs and benefits of individual land development projects and regional investments within the same market. The model shall be capable of capturing estimated ongoing maintenance costs and future replacement costs of infrastructure serving land development projects and any annual general costs, including public safety and administrative services. The model shall allow users to input data so that:

(A) State and county fiscal revenues and costs can be mapped by land use type;

(B) Fiscal productivity of various development patterns in the State can be compared at the parcel level, by land use type;

(C) The value of any new development can be measured and evaluated, and measured against proposed entitlements;

(D) Public policy decisions can be analyzed to reduce or eliminate taxpayer subsidies; and



(E) Funding of capital improvements can be prioritized based on their anticipated return on investment;

(2) Training for state and county employees in the use, methodology, and updating of the model, including developing user-tested training material, so that upon completion of the model's development, county employees can successfully use and update the model; and

(3) Ensuring that the model outputs can be easily read and interpreted, with geo-referenced visual mapping, by members of the public.

(c) The office of planning and sustainable development shall establish and provide support for a steering committee to advise on the development of the fiscal impact model. The steering committee shall be comprised of the following members:

(1) The director of the office of planning and sustainable development, or the director's designee, who shall serve as the co-chairperson of the committee;



(2) The director of finance, or the director's designee, who shall serve as the co-chairperson of the committee;

(3) The director of taxation, the director's designee, or the department of taxation's research and planning officer;

(4) The administrator of the research and economic analysis division of the department of business, economic development, and tourism, or the administrator's designee;

(5) The budget and finance directors of each county, or the county directors' respective designees; and

(6) The planning directors of each county, or the county directors' respective designees.

(d) The office of planning and sustainable development shall submit a report on the development of the fiscal impact model to the legislature no later than twenty days prior to the convening of the regular session of 2027.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$300,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the



1 same sum or so much thereof as may be necessary for fiscal year  
2 2026-2027 for the development of the fiscal impact model  
3 pursuant to section 2 of this Act.

4 The sums appropriated shall be expended by the office of  
5 planning and sustainable development for the purposes of this  
6 Act.

7 SECTION 4. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$150,000 or so much  
9 thereof as may be necessary for fiscal year 2025-2026 and the  
10 same sum or so much thereof as may be necessary for fiscal year  
11 2026-2027 to hire one full-time equivalent (1.0 FTE) temporary  
12 planner (planner V equivalent), who shall be exempt from chapter  
13 76, Hawaii Revised Statutes, to manage the fiscal impact model  
14 development project and support the work of the steering  
15 committee as required pursuant to section 2 of this Act.

16 The sums appropriated shall be expended by the office of  
17 planning and sustainable development for the purposes of this  
18 Act.

19 SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

Land Use; Fiscal Impact Model; Fiscal Sustainability;  
Appropriation

**Description:**

Requires the Office of Planning and Sustainable Development to develop a model that assesses the fiscal impacts of land use development projects and regional infrastructure investments. Appropriates funds. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

