S.B. NO. ⁶⁶ ^{5.D. 2} ^{H.D. 3}

C.D. 1

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the State is facing 2 a housing shortage. A 2019 study commissioned by the department 3 of business, economic development, and tourism found that, using 4 high scenario projections, the State will require an additional 5 46,573 homes by the year 2030, with the city and county of 6 Honolulu requiring 21,392 new units; Hawaii county requiring 7 13,527 new units; Maui county requiring 8,515 new units; and 8 Kauai county requiring 3,138 new units. 9 The legislature further finds that some of the largest 10 obstacles for developers to construct more housing in the State 11 are: 12 (1)A lack of areas with proper zoning to allow for the

- 12 (1) A lack of areas with proper zoning to allow for the13 construction of residential dwellings;
- 14 (2) A lack of infrastructure to support newly developed
 15 residential dwellings; and
- 16 (3) Delays in the issuance of building permits for17 single-family and multi-family projects.



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1 The building permit processing times for single-family and 2 multi-family projects vary tremendously across the United 3 States. However, the counties in Hawaii have some of the 4 longest processing times for residential building permits. An 5 April 2022 study prepared by the university of Hawaii economic research organization found that, on average, Hawaii 6 7 homebuilders wait three times longer for permits than those in 8 other states, which drives up costs significantly and creates 9 uncertainty, serving as a disincentive to build new projects. 10 Furthermore, the study found that compared to the most regulated markets in the country, Hawaii's permit delays are almost two 11 12 times longer, meaning it can take from one year to one and a 13 half years for a permit to be approved.

14 The legislature also finds that lengthy processing times to 15 obtain a building permit raises questions about what information 16 is necessary for counties when processing building permit 17 applications. The basic responsibilities of the counties are to 18 ensure compliance with various building codes and ensure 19 adequate infrastructure capacity to support the proposed project 20 or development. Although it is the counties' responsibility to 21 monitor for compliance with various building codes, if the

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1 construction plans do not satisfy these codes and are not
2 corrected before construction, the designer, who is a licensed
3 professional who stamped the plans, and the contractor are
4 ultimately responsible. The counties are also not typically
5 involved in litigation as the building permit process is
6 ministerial, mainly to check for code compliance.

7 In other municipalities around the country, building plans 8 are not scrutinized to the extent that they are in Hawaii 9 counties. In Hawaii, the plan review is to ensure that the 10 design meets all applicable codes. However, in other 11 municipalities, the plans are used as a guide while code 12 compliance verification is completed upon inspection of the 13 project during construction. Inspectors who find that 14 construction does not satisfy the code either have the 15 correction made in the field or stop construction until proper 16 corrective actions have been taken to ensure that new 17 construction meets the code. Ultimately, the designer and 18 contractor are responsible for ensuring new construction meets 19 all applicable codes.



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Accordingly, the purpose of this Act is to establish
procedures and requirements for single-family and multi-family
homes to apply for an expedited permit until June 30, 2031.
SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended
by adding a new section to be appropriately designated and to
read as follows:
"§46- Expedited permits; single-family and multi-family
housing project permit applications; review time eligibility.
(a) Permit applications for single-family and multi-family
housing projects in each county shall be eligible for an
expedited permit approval pursuant to this section.
(b) An applicant or the applicant's agent may submit a

request to the county for an expedited permit if sixty business

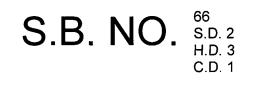
days have lapsed after the application was considered complete

by the relevant agency and the application has not received full

approval by the county. The request by the applicant or the

- applicant's agent shall include:
- (1) A full and complete set of plans;
- (2) Statements or evidence from the relevant permitting agencies that adequate infrastructure capacity is

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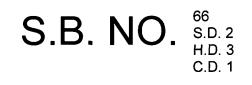
1		available to service the project site and specified		
2		improvements;		
3	(3)	The following information from all licensed		
4		professionals on record:		
5		(A) Polic	cies of insurance that:	
6		<u>(i)</u>	Name the State and county as additional	
7			insurers;	
8		<u>(ii)</u>	Are in amounts equivalent to at least	
9			\$2,000,000; and	
10		<u>(iii)</u>	Specifically allow coverage for the	
11			completed project for the period under	
12			section 657-8; and	
13		(B) A statement that indemnifies and holds harmless		
14		the S	State, its officers, agents, and employees	
15		and t	the county, its officers, agents, and	
16		emplo	oyees;	
17	(4)	A statemer	nt that sixty business days have lapsed	
18		without ap	oproval since the application would have been	
19		considered	complete by the relevant agency; and	
20	(5)	The requir	red county contractor's statement.	



1	(c)	For	the purposes of subsection (b), applications shall	
2	only be c	onsid	ered complete if:	
3	(1)	Either:		
4		<u>(A)</u>	Qualified professionals who meet state historic	
5			preservation division rules governing	
6			professional qualifications for architecture,	
7			archaeology, architectural history, or physical	
8			anthropology have made a reasonable and	
9			good-faith determination that the project does	
10			not have the potential to affect historic	
11			properties, archaeological resources, or burial	
12			sites; or	
13		<u>(B)</u>	The project has been submitted to the state	
14			historic preservation division of the department	
15			of land and natural resources and the chapter 6E	
16			process has been completed, including for those	
17			situations in which the county professional	
18			described in subparagraph (A) determines that the	
19			project may have the potential to affect historic	
20			properties, archaeological resources, or burial	
21			sites;	

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1	(2)	The applicant submits documentation evidencing that
2		the proposed project does not encroach on special
3		flood hazard areas identified as "A" or "V" zones on
4		the Federal Emergency Management Agency's Flood
5		Insurance Rate Maps, or the applicable county official
6		has reviewed the proposed project for floodplain
7		management compliance and has issued a development
8		permit for construction;
9	(3)	The project is not higher than thirty feet;
10	(4)	The project is not situated on a shoreline parcel or a
11		parcel that is impacted by waves, storm waves, high
12		tide, or shoreline erosion and is in compliance with
13		all laws, rules, and procedures pursuant to chapter
14		<u>205A;</u>
15	(5)	All plans and specifications submitted to a county
16		have been stamped by a duly licensed structural,
17		civil, electrical, or mechanical engineer and licensed
18		professional, as applicable, certifying compliance
19		with the applicable building codes for the respective
20		county; and



1	(6) Any other administrative criteria that the county
2	deems necessary to carry out the purpose of this
3	section.
4	If the county determines that the application is not complete,
5	the county shall notify the applicant and specify the
6	information needed to meet the requirements for complete
7	submittal under this subsection.
8	(d) For applications under section 444-2.5, the owner
9	listed on the application shall instead execute a waiver of all
10	claims against the State and county and execute a statement that
11	indemnifies and holds harmless the State, its officers, agents,
12	and employees and the county, its officers, agents, and
13	employees in lieu of subsection (b)(3). All expedited approval
14	requests by the applicant shall be reviewed for completeness by
15	the county within five days of submittal. For building permits
16	that apply for and meet the criteria for an expedited permit,
17	the county shall execute an agreement with the licensed
18	professional on record as assuming approval and oversight
19	responsibility for the permit application. Upon completion of
20	the agreement, the county shall consider the application

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1	approved by the licensed professional, issue an expedited
2	permit, and the applicant may proceed with construction.
3	(e) After approval, the licensed professional on record or
4	county shall ensure that the project construction is in
5	compliance with the approved plans under the expedited permit,
6	including but not limited to the requirements under chapter 6E
7	and all applicable ordinances regarding land use, set-back,
8	height, and site development requirements for the project site.
9	State and county inspectors shall not be precluded from entering
10	and inspecting project sites with expedited permits. Licensed
11	professionals and contractors shall address any defects in
12	construction identified by state or county inspectors; provided
13	that the defects in construction are consistent with the
14	specifications in the approved plans. If the defects are not
15	consistent with the approved plans, the licensed professional
16	shall note the disagreement and assume review responsibility as
17	the approving authority or initiate a change to the plans to
18	address the defect. Consistent with the requirements and time
19	periods established by each county, all licensed contractors and
20	the licensed professional or the licensed contractors' or
21	licensed professional's successor agents shall maintain a record

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1	of inspected structural, civil, plumbing, and electrical systems
2	after a certificate of occupancy is issued and provide a copy of
3	that record to the applicant and the county.
4	(f) Upon completion of construction, the licensed
5	professional shall certify in writing to the county that a
6	certificate of occupancy is warranted and all laws, rules,
7	ordinances, and conditions governing permitted construction have
8	been met, along with any necessary as-built drawings consistent
9	with the requirements of each county. The county shall issue
10	the certificate to the applicant and may notate that the
11	certificate is approved by the licensed professional under an
12	agreement pursuant to an expedited permit, and not a county
13	official.
14	(g) Each county may adopt rules pursuant to chapter 91 to
15	effectuate the purposes of this section and charge any necessary
16	fees, including defining what constitutes the sixty-day period,
17	which may exclude any time spent awaiting substantive responses
18	or revisions from the applicant necessary to address comments
19	issued during the review process.
20	(h) Nothing in this section shall be construed to allow

21 any violation of federal, state, or county laws, rules, or



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1	ordinances. The issuance of a certificate of occupancy shall
2	not be construed to limit or repeal any powers of any county to
3	enforce violations of any law, ordinance, or rule."
4	SECTION 3. New statutory material is underscored.
5	SECTION 4. This Act shall take effect on July 1, 2026, and
6	shall be repealed on June 30, 2031.





Report Title:

Housing; Counties; Permits; Permitting Agencies; Licensed Professionals; Expedited Permit; Applications; Requirements

Description:

Establishes procedures and requirements for single-family and multi-family housing project applicants to apply for an expedited permit, including requirements for completeness of expedited permit applications, duties of licensed professionals and the counties during construction, and applications for owner-builder exemptions. Takes effect 7/1/2026. Sunsets 6/30/2031. (CD1)

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

