

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1219

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

June 8, 2026

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on June 8, 2026, the following bill was signed into law:

S.B. NO. 2671, S.D. 1, H.D. 2,
C.D. 1

RELATING TO ESSENTIAL PERMITTING
POSITIONS.
ACT 119

Mahalo,

Josh Green, M.D.

Governor, State of Hawai'i

Approved by the Governor

on JUN 8 2026

THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

ACT 119
S.B. NO. 2671
S.D. 1
H.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO ESSENTIAL PERMITTING POSITIONS.

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

1 SECTION 1. The legislature finds that Hawaii's permitting
2 process has long been a source of frustration for residents,
3 developers, and government agencies. High vacancy rates,
4 outdated systems, and fragmented workflows have led to
5 significant delays in housing and infrastructure development.
6 Recent legislative actions have attempted to address permitting
7 delays, including Act 295, Session Laws of Hawaii 2025, which
8 established requirements and procedures for permit applicants to
9 apply for an expedited permit if sixty days have lapsed after a
10 permit application was deemed complete by a relevant agency, and
11 Act 133, Session Laws of Hawaii 2025, which established the
12 Simplifying Permitting for Enhanced Economic Development task
13 force to identify legislative measures necessary to facilitate,
14 expedite, and coordinate state and intergovernmental development
15 permit processes. The legislature believes that additional
16 reform is urgently needed.



1 The legislature further finds that one proven strategy to
2 improve recruitment and retention for hard-to-fill government
3 roles is offering differential pay. The department of education
4 implemented shortage differentials of up to \$10,000 for special
5 education, Hawaiian immersion, and other hard-to-staff teaching
6 positions. These incentives led to a thirty-five per cent
7 reduction in unlicensed special education teachers and
8 significantly improved staffing stability. Similar models have
9 been used in other departments and bargaining units to address
10 workforce shortages.

11 In addition, the governor's operation hire Hawaii
12 initiative has actively tackled personnel challenges across
13 state agencies by promoting expedited hiring and workforce
14 equity.

15 Establishing a pilot program that empowers counties to
16 streamline permitting operations through targeted staffing,
17 performance incentives, and interdepartmental coordination will
18 build on those successes.

19 Accordingly, the purpose of this Act is to improve the
20 speed, accountability, and quality of permit processing in
21 county departments by authorizing the mayor of each county to



1 implement a pilot program that targets staffing, performance
2 incentives, and interdepartmental competition.

3 SECTION 2. (a) The mayor of any county may implement a
4 pilot program to improve the speed, accountability, and quality
5 of permit processing within that county through targeted
6 staffing, performance incentives, and interdepartmental
7 competition. The pilot program shall be implemented as an
8 experimental modernization project pursuant to section 78-3.5,
9 Hawaii Revised Statutes, and the purposes, methodology,
10 duration, and criteria for evaluation developed pursuant to
11 section 78-3.5(b)(1), Hawaii Revised Statutes, shall be
12 consistent with this Act.

13 (b) Any pilot program implemented pursuant to subsection
14 (a) shall operate for four fiscal years, beginning July 1, 2026,
15 and shall ensure that:

16 (1) The mayor of a county participating in the pilot
17 program may designate any number of positions in
18 departments involved in permit review or permit
19 processing, or both, as essential permitting
20 positions;



1 (2) Each position designated as an essential permitting
2 position shall receive a minimum differential payment
3 equal to fifteen per cent of the position's salary;
4 provided that an agency may increase the amount of the
5 differential payment above fifteen per cent of the
6 position's salary if the mayor deems it necessary to
7 recruit or retain necessary workers in essential
8 permitting positions;

9 (3) Persons may be hired into essential permitting
10 positions at salaries above the minimum salary within
11 the approved salary range for the purpose of
12 attracting qualified candidates; and

13 (4) Personnel departments shall prioritize the hiring of
14 individuals for essential permitting positions over
15 the hiring for other positions. A personnel
16 department shall make a conditional offer to
17 candidates qualified for essential permitting
18 positions within fourteen days of the date on which
19 the candidate was interviewed by the county.

20 (c) A county that participates in the pilot program
21 pursuant to this Act shall designate and set aside moneys for:



- 1 (1) Differential payments pursuant to subsection (b)(2);
- 2 (2) The hiring of new employees for essential permitting
- 3 positions; and
- 4 (3) Financial awards for meeting milestone goals, as
- 5 provided in subsection (e).

6 Notwithstanding any provision of section 46-16.8, Hawaii Revised
7 Statutes, or any charter provision, ordinance, or other law to
8 the contrary, moneys collected from the county surcharge on
9 state tax and distributed to each participating county with a
10 population of less than five hundred thousand pursuant to
11 sections 46-16.8 and 237-8.6, Hawaii Revised Statutes, may be
12 appropriated and allocated by a participating county to fulfill
13 the requirements of this subsection and fund the positions
14 subject to the pilot program.

15 (d) The mayor of a county participating in the pilot
16 program pursuant to this Act shall establish a countywide goal
17 that describes the specific metrics by which the county intends
18 to improve permitting times by participating in the pilot
19 program.

20 (e) In addition to the countywide goal in subsection (d),
21 each participating county agency that participates in the pilot



1 program shall establish four milestone goals that describe the
2 specific metrics by which the agency aims to improve permitting
3 efficiency. The milestone goals may include reducing average
4 review times by a specific amount of time or increasing
5 throughput by a specific amount.

6 Upon achieving each milestone goal, designated agency
7 personnel shall receive financial awards pursuant to subsection
8 (c) of at least three per cent of the person's annual salary, as
9 determined by the county; provided that the county may pay a
10 financial award greater than three per cent. The county agency
11 shall designate the specific employees or classes of employees
12 who shall be eligible for the financial awards.

13 (f) Each county agency that participates in the pilot
14 program shall submit quarterly reports to the county council on
15 the agency's progress in achieving the performance metrics
16 described in subsections (d) and (e).

17 (g) Each participating county shall establish or designate
18 a single position to serve as the countywide permitting program
19 coordinator. The duties of the permitting program coordinator
20 shall include:



- 1 (1) Overseeing and facilitating permit workflow across
2 departments;
- 3 (2) Troubleshooting to resolve bottlenecks and
4 interdepartmental issues;
- 5 (3) Serving as a liaison among stakeholders, including
6 applicants, reviewers, inspectors, and department
7 heads;
- 8 (4) Ensuring that milestone goals established pursuant to
9 subsection (e) are tracked and reported accurately;
10 and
- 11 (5) Submitting annual reports to the legislature no later
12 than twenty days prior to the convening of each
13 regular session. The annual reports shall include:
- 14 (A) Any recommended adjustments to the pilot program;
- 15 (B) Recommendations for pilot program expansion based
16 on pilot program outcomes; and
- 17 (C) Any other findings and recommendations, including
18 any proposed legislation.
- 19 (h) The pilot program shall cease to exist on June 30,
20 2030, unless the pilot program is extended by the legislature.




1 (i) For the purposes of this section, "essential
2 permitting position" means a position designated by a mayor as a
3 position that is essential for the review of permits, processing
4 of permits, or both, pursuant to subsection (b)(1). "Essential
5 permitting position" includes vacant positions and existing
6 positions that are currently filled.

7 SECTION 3. This Act shall take effect on July 1, 2026.



S.B. NO. 2671
S.D. 1
H.D. 2
C.D. 1

APPROVED this 8th day of June, 2026

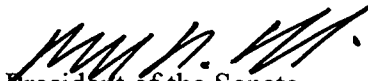



GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 6, 2026
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2026.


President of the Senate


Clerk of the Senate

SB No. 2671, SD 1, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 6, 2026
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.



Nadine K. Nakamura
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives