
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4 outdated systems, and fragmented workflows have led to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 (SPEED)
13 task force to identify legislative measures necessary to
14 facilitate, expedite, and coordinate state and intergovernmental
15 development permit processes. The legislature further finds
16 that additional reform is urgently needed.



1 The legislature additionally finds that one proven strategy
2 to 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 Accordingly, the purpose of this Act is to improve the
16 speed, accountability, and quality of permit processing in
17 county departments through the implementation of a pilot program
18 that targets staffing, performance incentives, and
19 interdepartmental competition.

20 SECTION 2. (a) The mayor of a county may implement a
21 pilot program to improve the speed, accountability, and quality



1 of permit processing within counties that elect to participate
2 in the pilot program through targeted staffing, performance
3 incentives, and interdepartmental competition. The pilot
4 program shall be implemented as an experimental modernization
5 project pursuant to section 78-3.5, Hawaii Revised Statutes, and
6 the purposes, methodology, duration, and criteria for evaluation
7 developed pursuant to section 78-3.5(b)(1), Hawaii Revised
8 Statutes, shall be consistent with this Act.

9 (b) The pilot program shall operate for five fiscal years,
10 beginning July 1, 2026, and shall ensure that:

11 (1) The mayor of a county participating in the pilot
12 program may designate any number of positions in
13 departments involved in permit review, permit
14 processing, or both, as essential permitting
15 positions;

16 (2) Each position designated as an essential permitting
17 position shall receive a minimum differential payment
18 equal to fifteen per cent of the position's salary;
19 provided that an agency may increase the amount of the
20 differential payment above fifteen per cent of the
21 position's salary if the mayor deems it necessary to



1 recruit or retain necessary workers in essential
2 permitting positions;

3 (3) Persons may be hired into essential permitting
4 positions at salaries above the minimum salary within
5 the approved salary range for the purpose of
6 attracting qualified candidates; provided that the
7 candidate shall meet minimum qualifications for the
8 position; and

9 (4) Hiring departments shall prioritize the hiring of
10 individuals for essential permitting positions over
11 the hiring for other positions. A hiring department
12 shall make a conditional offer to candidates qualified
13 for essential permitting positions within fourteen
14 days of the date on which the candidate was
15 interviewed by the county.

16 (c) A county that participates in the pilot program shall
17 designate and set aside moneys for:

18 (1) Differential payments pursuant to subsection (b) (2);

19 (2) The hiring of new employees for essential permitting
20 positions; and



1 (3) Financial awards for meeting milestone goals as
2 provided in subsection (e).
3 Notwithstanding any provision of section 46-16.8, Hawaii Revised
4 Statutes, or any charter provision, ordinance, or other law to
5 the contrary, moneys collected from the county surcharge on
6 state tax and distributed to each county pursuant to
7 sections 46-16.8 and 237-8.6, Hawaii Revised Statutes, may be
8 appropriated and allocated by a respective participating county
9 to fulfill the requirements of this subsection and fund the
10 positions subject to the pilot project.

11 (d) The mayor of a county participating in the pilot
12 program shall establish a countywide goal that describes the
13 specific metrics by which the county intends to improve
14 permitting times by participating in the pilot program.

15 (e) In addition to the countywide goal in subsection (d),
16 each county agency that participates in the pilot program shall
17 establish four milestone goals that describe the specific
18 metrics by which the agency aims to improve permitting
19 efficiency. The milestone goals may include reducing average
20 review times by a specific amount of time or increasing
21 throughput by a specific amount.



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

8 (f) Each county agency that participates in the pilot
9 program shall submit quarterly reports to the county council on
10 the agency's progress in achieving the performance metrics
11 described in subsections (d) and (e).

12 (g) Each participating county shall establish or designate
13 a single position to serve as the county wide permitting program
14 coordinator. The duties of the permitting program coordinator
15 shall include:

16 (1) Overseeing and facilitating permit workflow across
17 departments;

18 (2) Troubleshooting to resolve bottlenecks and
19 interdepartmental issues;



- 1 (3) Serving as a liaison among stakeholders, including
- 2 applicants, reviewers, inspectors, and department
- 3 heads;
- 4 (4) Ensuring that milestone goals under subsection (e) are
- 5 tracked and reported accurately; and
- 6 (5) Submitting annual reports to the legislature no later
- 7 than twenty days prior to the convening of each
- 8 regular session. The annual reports shall include:
- 9 (A) Any recommended adjustments to the pilot program;
- 10 (B) Recommendations for pilot program expansion based
- 11 on pilot program outcomes; and
- 12 (C) Any other findings and recommendations, including
- 13 any proposed legislation.
- 14 (h) The pilot program shall cease to exist on
- 15 June 30, 2030.
- 16 (i) As used in this section, "essential permitting
- 17 position" means a position designated by a mayor as a position
- 18 that is essential for the review of permits, processing of
- 19 permits, or both, pursuant to subsection (b)(1). "Essential
- 20 permitting positions" includes vacant positions and existing
- 21 positions that are currently filled.



1 SECTION 3. This Act shall take effect on July 1, 3000.



Report Title:

Counties; Permit Processing; Differential Payments; Salaries;
Pilot Program; Reports

Description:

Establishes a four-year pilot program to improve the speed, accountability, and quality of permit processing through targeted staffing, performance incentives, and interdepartmental competition within participating counties. Requires annual reports to the Legislature. Effective 7/1/3000. (HD2)

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

