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# 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4 outdated systems, and fragmented workflows have led to  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           This Act establishes a pilot program that will build on  
16 those successes by empowering counties to streamline permitting  
17 operations through targeted staffing, performance incentives,  
18 and interdepartmental coordination.

19           Accordingly, the purpose of this Act is to improve the  
20 speed, accountability, and quality of permit processing in  
21 county departments through the implementation of a pilot program



1 that targets staffing, performance incentives, and  
2 interdepartmental competition.

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

13 (b) Any pilot program implemented pursuant to subsection  
14 (a) shall operate for five fiscal years, beginning July 1, 2026,  
15 and shall include the following:

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, 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 shall  
21          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 county pursuant to  
10 sections 46-16.8 and 237-8.6, Hawaii Revised Statutes, may be  
11 appropriated and allocated by a respective participating county  
12 to fulfill the requirements of this subsection and fund the  
13 positions subject to the pilot program.

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

18 (e) In addition to the countywide goal in subsection (d),  
19 each county agency that participates in the pilot program shall  
20 establish four milestone goals that describe the specific  
21 metrics by which the agency aims to improve permitting



1 efficiency. The milestone goals may include reducing average  
2 review times by a specific amount of time or increasing  
3 throughput by a specific amount.

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

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

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

19       (1) Overseeing and facilitating permit workflow across  
20 departments;



- 1           (2) Troubleshooting to resolve bottlenecks and
- 2                   interdepartmental issues;
- 3           (3) Serving as a liaison among stakeholders, including
- 4                   applicants, reviewers, inspectors, and department
- 5                   heads;
- 6           (4) Ensuring that milestone goals are tracked and reported
- 7                   accurately; and
- 8           (5) Submitting annual reports to the legislature no later
- 9                   than twenty days prior to the convening of each
- 10                   regular session. The annual reports shall include:
- 11                   (A) Any recommended adjustments to the pilot program;
- 12                   (B) Recommendations for pilot program expansion based
- 13                   on pilot program outcomes; and
- 14                   (C) Any other findings and recommendations, including
- 15                   any proposed legislation.
- 16           (h) The pilot program shall cease to exist on June 30,
- 17           2031, unless the pilot program is extended by the legislature.
- 18           (i) For the purposes of this section, "essential
- 19           permitting position" means a position designated by a mayor as a
- 20           position that is essential for the review of permits, processing
- 21           of permits, or both, pursuant to subsection (b)(1). "Essential



1 permitting positions" may include both vacant positions and  
2 existing positions that are currently filled.

3 SECTION 3. This Act shall take effect on April 19, 2042.



**Report Title:**

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

**Description:**

Authorizes a mayor to establish a pilot program to improve the speed, accountability, and quality of permit processing through targeted staffing, performance incentives, and interdepartmental competition within participating counties. Authorizes a mayor to designate any number of positions as essential permitting positions across departments involved in permit review, permit processing, or both. Authorizes the payment of a minimum differential payment to assist in employee recruitment and retention. Authorizes the hiring of essential permitting positions at salaries above the minimum salary within the approved salary range. Requires personnel departments to prioritize the hiring of individuals into essential permitting positions over other positions. Authorizes counties to use revenues from the county surcharge on state tax pursuant to pay for pilot program expenses. Requires annual reports to the Legislature. Sunsets 6/30/2031. Effective 4/19/2042. (SD1)

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

