

STAND. COM. REP. NO. **3163**

Honolulu, Hawaii

**MAR 24 2026**

RE: H.B. No. 2140  
H.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Sir:

Your Committee on Energy and Intergovernmental Affairs, to which was referred H.B. No. 2140, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ESSENTIAL PERMITTING POSITIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish 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; and
- (2) Require annual reports to the Legislature.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Maui; Department of Planning and Permitting of the City and County of Honolulu; Chamber of Commerce Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Building Owners and Managers Association Hawaii; Maui Chamber of Commerce; Housing Hawai'i's Future; and Land Use Research Foundation of Hawaii.

Your Committee received comments on this measure from the Office of Planning and Sustainable Development, Department of



Budget and Fiscal Services of the City and County of Honolulu, and Department of Human Resources of the City and County of Honolulu.

Your Committee finds that the State's ability to support the delivery of affordable housing is constrained by the capacity of county permitting agencies' staff. Your Committee further finds that incentivizing the recruitment and retention of qualified permitting staff is critical to expanding the operational capacity and effectiveness of permitting agencies. This measure will reinforce the State's commitment to addressing affordable housing challenges by significantly enhancing each county's ability to strengthen and modernize their permitting capabilities.

Your Committee notes the concerns expressed by the Department of Budget and Fiscal Services of the City and County of Honolulu that, pursuant to sections 46-16.8 and 237-8.6, Hawaii Revised Statutes, the City and County of Honolulu receives a 0.5 percent county surcharge on the state General Excise Tax to fund the rail transit project, which is included in the Honolulu Authority for Rapid Transportation's (HART) Full Funding Grant Agreement with the Federal Transit Administration (FTA) and HART's approved Recovery Plan with the approved Financial Plan. Your Committee acknowledges that diverting funds away from HART's financial plan may be detrimental to the approved project agreements. Your Committee additionally notes that securing funding at the federal level may become increasingly challenging in the coming years, and that any reduction in state funding for the rail will limit the City and County of Honolulu's ability to meet its current contractual obligations to the FTA.

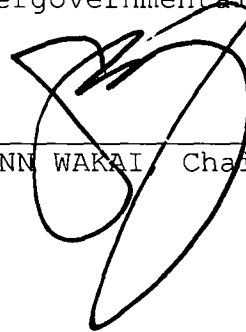
Your Committee further notes the concerns expressed by the Department of Human Resources of the City and County of Honolulu that this measure, as written, may be interpreted and potentially applied in a manner that suspends existing civil service rules, such as those governing impartial selection, merit principles, and equal pay for equal work. Your Committee also notes that many of the positions that may be affected by this measure in the City and County of Honolulu are likely included in bargaining units, and that this measure, as written, does not exclude those positions from collective bargaining or chapter 89, Hawaii Revised Statutes. Therefore, certain proposed provisions of this measure, in its current form, may be subject to consultation with unions before they could be implemented.



Accordingly, your Committee believes that these issues raise concerns that merit further consideration and respectfully requests further examination by your Committee on Ways and Means, should it choose to deliberate on this measure.

As affirmed by the record of votes of the members of your Committee on Energy and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2140, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy and  
Intergovernmental Affairs,



---

GLENN WAKAI Chair



