

HOUSE COMMITTEE ON WATER & LAND
The Honorable Mark J. Hashem, Chair
The Honorable Dee Morikawa, Vice Chair

**H.C.R. NO. 174 / H.R. NO. 164, REQUESTING THE STATE AUDITOR TO CONDUCT
A PERFORMANCE AUDIT OF THE HAWAII STATE BUILDING CODE COUNCIL**

Hearing: Tuesday, March 31, 2026, 10:00 a.m.

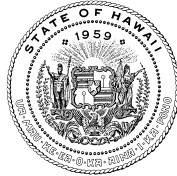
The Office of the Auditor offers comments on H.C.R. No. 174 and H.R. No. 164, which requests the Auditor to conduct a performance audit of the Hawai'i State Building Code Council.

The resolutions specifically request the Office of the Auditor to conduct a performance audit that would, among other things, focus on the statutory purpose, duties, and authorities of the Hawai'i State Building Code Council (Council); the impact of the Council on regulatory consistency among the counties; and the Council's historical performance. The resolutions also request the Office of the Auditor to assess whether the counties should be the primary drivers and funders of the Council; potential alternative governance structures for building code adoption in Hawai'i; and the viability of a model in which counties manage, fund, and drive the code adoption process.

All performance audits conducted by the Office of the Auditor are in accordance with Government Auditing Standards which require us to be independent of the agencies, programs, and State political subdivisions we audit. To maintain that independence, we cannot be involved in program management-type decisions. For that reason, we have concerns about language found on page 3, lines 29-41, that requires our report to include an assessment of whether counties, as the direct administrators and enforcers of building codes, should be the primary drivers and funders of the councils; potential alternative governance structures for building code adoption in Hawai'i, including whether any modifications to, restructuring of, or repeal of the Council should be considered; and the viability of a model in which the counties manage, fund, and drive the code adoption process rather than the State.

We suggest that another agency – such as the Department of Accounting and General Services which oversees the Council or the Legislative Reference Bureau – may be better suited to perform the requested study and recommend that the resolutions be amended to reflect the more appropriately suited agency to perform the work.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON WATER AND LAND

MARCH 31, 2026, 10:00 A.M.
CONFERENCE ROOM 411 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.C.R. 174 / H.R. 164

REQUESTING THE STATE AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF
THE HAWAII STATE BUILDING CODE COUNCIL.

Chair Hashem, Vice Chair Morikawa, and members of the Committee, thank you
for the opportunity to submit testimony on H.C.R. 174 / H.R. 164.

The Department of Accounting and General Services (DAGS) **supports** this
resolution requesting a performance audit of the State Building Code Council.

As the resolution notes, the activities of the Council have been suspended since
September 2023. The performance audit described in the resolution may result in useful
guidance for improvement of the Council's operations and efficacy once Council is
reactivated.

Thank you for the opportunity to provide testimony on this measure.

March 31, 2026, 10 a.m.
Hawaii State Capitol
Conference Room 411 and Videoconference

To: House Committee on Water and Land

Rep. Mark J. Hashem, Chair
Rep. Dee Morikawa, Vice Chair

House Committee on Public Safety

Rep. Della Au Belatti, Chair
Rep. Kim Coco Iwamoto, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN SUPPORT OF SCR69/SR64 — REQUESTING THE STATE AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF THE HAWAII STATE BUILDING CODE COUNCIL

Aloha Chair, Vice Chair and other Committee Members,

The Grassroot Institute of Hawaii **supports** [HCR174/HR164](#), which requests the Hawaii State Auditor to conduct a performance audit of the State Building Code Council, making special mention of the housing shortage and the ways in which the Building Code Council has become a barrier to housing growth.

This resolution recognizes the fact that implementation of the building code in Hawaii has become an unwieldy and inefficient process, leading to a patchwork of county-level rules that contribute to construction delays and higher housing costs.

State law currently requires that the State Building Code Council adopt every iteration of the International Building Code and related codes within two years of being released; the counties then have an additional two years to make amendments to the state code and adopt those versions.

However, the state and counties often struggle to meet these deadlines. For example, the State Building Code Council adopted the 2018 Interim Building Code¹ in April 2021, and Honolulu didn't fully adopt its own amended code based on that version until mid-2024.² In the meantime, the IBC released updated codes as scheduled in 2021 and 2024.

Because of this staggered adoption process, county building officials, builders and architects must constantly learn different building codes. For builders, this means navigating as many as four different county codes, which takes time and training that increases administrative costs.

This process also stresses county planning and permitting departments, which are already understaffed, and research has shown that permitting delays can affect home prices.³

Assuming that this audit results in meaningful reform of the state building code process, we believe that this resolution will lead to housing growth in our state.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ [“State Building Code Adoption,”](#) State Building Code Council, April 20, 2021, p. 1.

² Ashley Mizuo, [“As stakeholders navigate building code updates, counties bear the burden,”](#) Hawai'i Public Radio, Aug. 27, 2024.

³ Paul Emrath, [“How Government Regulation Affects the Price of a New Home,”](#) National Association of Homebuilders, Economics and Housing Policy Group, 2011, p. 5; and Adam Millsap, Samuel Staley and Vittorio Nastasi, [“Assessing the Effects of Local Impact Fees and Land-use Regulations on Workforce Housing in Florida,”](#) James Madison Institute, Dec. 11, 2018, p. 19.



**HAWAII STATE HOUSE OF REPRESENTATIVES
COMMITTEE ON WATER AND LAND
Conference Room 411
State Capitol
10:00 AM**

March 31, 2026

Subject: HCR 174 - Requesting the State Auditor to Conduct a Performance Audit of the State Building Code Council

Chair Hashem, Vice-Chair Morikawa, and members of the Committees:

My name is Roseann Freitas, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii supports HCR 174, which requests a performance audit of the State Building Code Council (SBCC).

The SBCC was originally created in 2007 to bring consistency, coordination, and expertise to the state building code system—something that was previously fragmented across counties. However, in recent years, stakeholders have experienced significant challenges related to the SBCC's operations. Delays in code adoption, lack of consistent guidance, and uncertainty in implementation have created confusion for both industry professionals and permitting agencies. These issues have led to increased project costs, delays in housing production, and additional administrative burdens—factors that have contributed to the housing shortage.

Notably, the SBCC has effectively been non-operational for an extended period following the Governor's emergency proclamation in 2023. This suspension has highlighted both the intended value of the SBCC and the practical consequences when it is not operational, underscoring the importance of evaluating whether its current structure and processes are effectively meeting the State's needs.

A performance audit would provide an objective and data-driven assessment of the SBCC, including:

- Its effectiveness in meeting statutory deadlines for code adoption;
- Its coordination with state and county agencies responsible for enforcement;
- Its ability to provide clear, timely guidance to stakeholders; and
- Whether its current composition and governance structure best serve the needs of Hawai'i.

We appreciate the opportunity to provide our comments on this matter.