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STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
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 ENERGY AND INTERGOVERNMENTAL AFFAIRS
COMMITTEE ON GOVERNMENT OPERATIONS

FEBRUARY 19, 2026, 3:15 P.M.
CONFERENCE ROOM 224 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 2066

RELATING TO COUNTY PERMITTING AND INSPECTION

Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and members of the Committees, thank you for the opportunity to submit testimony on S.B. 2066.

The Department of Accounting and General Services (DAGS) offers **comments** on S.B. 2066 which would exempt certain state projects from county building permit requirements to help expedite state projects and reduce the workload of county permitting offices, helping to decrease permit approval times for private and other government projects. While we share the goal of reducing delays, this measure duplicates existing laws and does not address the root causes of permitting challenges.

All counties already provide exemptions for state projects under specific conditions, ensuring compliance with applicable codes and laws. Hawai'i County, for

example, allows exemptions for DAGS and DOT projects when requirements are met.

The proposed bill largely mirrors provisions already found in county building codes and

HRS §46-18, which mandate centralized coordination for permitting and approvals.

State and county agencies currently collaborate through designated coordinating agencies, and creating a new process would add complexity without solving delays.

Delays stem primarily from staffing shortages, technology inefficiencies, and entitlement approvals. Recruiting qualified engineers and inspectors is difficult due to uncompetitive salaries and benefits. Electronic permitting systems and AI tools, intended to streamline processes, have often increased timelines rather than improved efficiency. Additionally, discretionary permits such as Special Management Area and Conditional Use approvals, along with historic preservation reviews, significantly extend project timelines.

To address these challenges, we recommend the following:

1. Improve recruitment by adjusting salaries and benefits to attract qualified personnel while also expanding internships and career outreach.
2. Streamline the process to move interns into civil service positions within departments to develop a beneficial path that fills resource gaps.
3. Embrace technology solutions that enhance efficiency for both agencies and external users.
4. Consider funding county positions within each county permitting office that specifically and solely work on state permits.
5. Finally, improve entitlement processes by conducting a thorough process review to help identify and reduce delays caused by discretionary approvals.

In summary, while we recognize the need to reduce permitting delays, S.B. 2066 does not address the underlying issues and would duplicate existing laws and processes. We urge consideration of staffing, technology, and entitlement reforms instead. Thank you for the opportunity to provide testimony on this measure.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/19/2026

Time: 03:15 PM

Location: CR 224 & Videoconference

Committee: EIG/GVO

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB2066, RELATING TO COUNTY PERMITTING AND INSPECTION.

Purpose of Bill: Allows state projects to be exempted from county building permit requirements under certain conditions. Requires all exempted state projects to be included in a report that is regularly made available to the public. Allows state agencies that undertake projects to be dedicated to a county to prepare programmatic or project-specific agreements that establish requirements and standards for review and acceptance if the agency wants the project to be exempted. Allows state agencies that want to be exempted from county permitting processes to establish a cooperative working group. Requires cooperative working groups to submit an interim report to the Legislature before the Regular Session of 2027. Effective 7/1/2050.

Department's Position:

The Hawai'i State Department of Education (Department) appreciates the opportunity to provide comments on SB 2066.

As written, this bill proposes to authorize state agencies to exempt certain state projects from county building permit requirements when work complies with applicable building codes and standards. While the intent to accelerate state construction is understood, the Department has concerns about the operational, safety, and compliance impacts that this measure may create for public school campuses.

The Department manages one of the largest facility inventories in the State and must ensure that all construction on school properties, whether new buildings, renovations, or infrastructure improvements, meets the requirements necessary to protect students and staff. County review processes provide important checks related to fire protection, life-safety systems, accessibility, utilities, and site-specific conditions. Removing county permits may lead to inconsistencies between school facilities and surrounding community infrastructure, creating coordination challenges during construction and later during occupancy.

Currently, all counties except Hawaii County allow an exemption from building permits

for state agencies, provided that all other government agency codes, ordinances, rules, and laws comply.

Importantly, the counties also serve as a central coordination point for essential external agencies, such as the Board of Water Supply, and other utility or public-safety partners. Depending on a project's scope, these entities will still require review, approval, and integration for a facility to be properly serviced. Without county coordination, the burden would shift to individual state agencies to initiate, track, and manage these interactions independently. This could result in delays, inconsistent communication, and create gaps in critical connections related to water service, fire flow requirements, emergency access, sewer hookups, and other essential infrastructure.

This bill, as written, appears to duplicate some of the exemptions that already exist in the respective county building codes.

In addition, the bill introduces new administrative structures, such as cooperative working groups or project-specific agreements with counties. For the Department, these processes would add workload without necessarily improving permitting timelines. School construction already requires coordination with multiple federal, state, and county agencies, and duplicating or overlaying additional procedural requirements may increase administrative burden without solving the problem.

While the Department supports efforts to improve permitting efficiency statewide, solutions should address the underlying capacity issues within the respective county permitting agencies rather than creating separate pathways for state projects. A fragmented approach may lead to inconsistent application of building codes and complicate long-term maintenance, repair, and modernization of school facilities.

The Department thanks the committee for its careful consideration of the comments offered in this testimony to SB 2066.

February 19, 2026

TO: Chair Wakai and Members of the Senate Energy and Intergovernmental Affairs
Committee
Chair McKelvey and Members of the Senate Government Operations Committee
RE: SB 2066, Relating to County Permitting and Inspection

Dear Chair Wakai, Chair McKelvey, and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support Senate Bill 2066. This bill would allow state projects to be exempted from county building permit requirements under certain conditions, among other things.

Hawai'i's housing and infrastructure challenges are compounded by duplicative and delayed review processes. While county permitting plays an essential role in ensuring code compliance and public safety, there are circumstances where these procedural layers unnecessarily delay urgently needed housing, infrastructure, or public facilities.

When the State undertakes priority projects - particularly housing, infrastructure, or facilities aligned with statewide policy goals - layered permitting processes can create delay without necessarily adding substantive safety or code benefits.

This bill removes that barrier, ensuring that certain facilities and services are delivered faster by State agencies while freeing up County permitting agencies for other reviews and approvals.

Let's advance SB2066.

Thank you,



Lee Wang
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February 19, 2026

Senate Committee on Energy and Intergovernmental Affairs
Senate Committee on Government Operations
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for SB 2066 - RELATING TO COUNTY PERMITTING AND INSPECTIONS

Aloha Chairs Wakai & McKelvey, Vice Chairs Chang & Gabbard, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of SB 2066**.

Excessively long county permitting timelines have become a serious barrier to housing production and affordability in Hawai'i. When state projects wait too long for permit approvals, construction costs rise due to inflation, labor escalation, and financing delays, and those added costs ultimately make it harder to deliver homes that local families can afford. In the midst of a housing shortage, we cannot allow administrative delays to slow the production of critically needed housing. By allowing qualified state projects that meet applicable building codes to proceed, this measure can help reduce bottlenecks, improve coordination, and accelerate the delivery of state-led housing projects. Streamlining the process in this targeted way will help move homes into construction faster and support more timely, cost-effective housing development for our communities.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing



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shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,
Damien Waikoloa
Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega
Chapter Lead, Hawai'i YIMBY

Huey Kwik
Chapter Lead, Hawai'i YIMBY



LATE

SB-2066

Submitted on: 2/19/2026 9:44:02 AM

Testimony for EIG on 2/19/2026 3:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Gregory Misakian	Individual	Oppose	Remotely Via Zoom

Comments:

I am in opposition to SB2066.

Permitting and Inspection requirements are in place to protect the public and ensure buildings and structures are constructed properly.

When the State thinks it can circumvent the established requirements to SPEED up the process, please remember what can happen when you are SPEEDING in your car.

Hawaii has had enough bad accidents due to poor decisions.

Please vote no on SB2066.

Respectfully,

Gregory Misakian