

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

**S.C.R. NO. 69, REQUESTING THE STATE AUDITOR TO CONDUCT A
PERFORMANCE AUDIT OF THE HAWAII STATE BUILDING CODE COUNCIL**

Hearing: Thursday, April 16, 2026, 9:00 a.m.

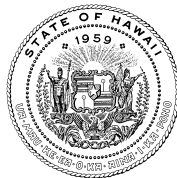
The Office of the Auditor offers comments on S.C.R. No. 69, which requests the Auditor to conduct a performance audit of the Hawai'i State Building Code Council (Council).

A performance audit generally assesses performance of certain activities key to achieving a program's statutory purpose against processes and other controls. The resolution, however, seems to seek information (the statutory purpose, duties, and authorities of the Council, its current makeup, historical significance, impact, and even whether it has provided measurable benefits to public safety) as well as potential alternative governance structures for building code adoption. It does not seem to be a performance audit of the Council.

Additionally, we are concerned that the requested work may prohibit our ability to audit the Council in the future. Our performance audits are performed 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, which this resolution currently requires of us.** For example, the resolution asks us to assess whether counties, as the direct administrators and enforcers of building codes, should be the primary drivers and funders of the councils, to propose alternative governance structures for building code adoption in Hawai'i, or to consider alternative models for 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 resolution 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 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 WATER & LAND

APRIL 16, 2026, 9:00 A.M.
CONFERENCE ROOM 411 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.C.R. 69

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 S.C.R. 69.

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.

April 16, 2026, 9 a.m.
Hawaii State Capitol
Conference Room 411 and Videoconference

To: House Committee on Water & Land
Rep. Mark J. Hashem, Chair
Rep. Dee Morikawa, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN SUPPORT OF SCR69 — 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** [SCR69](#), 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

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

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 the 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

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
9:00 AM**

April 16, 2026

Subject: SCR 69 - 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 SCR69, 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.



April 16, 2026

Representative Mark J. Hashem, Chair
Representative Dee Morikawa, Vice Chair
House Committee on Water & Land

COMMENTS and PROPOSED AMENDMENTS in Strong Support of SCR 69 / SR 64, REQUESTING THE STATE AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF THE HAWAII STATE BUILDING CODE COUNCIL

WAL HEARING: Thursday, April 16, 2026, at 9:00 AM
State Capitol, Conference Room 411, and VIA VIDEOCONFERENCE

The Land Use Research Foundation of Hawai'i (LURF) is a private trade association founded in 1979, whose members include major Hawai'i landowners, developers, utility companies, and land use professionals. LURF's mission is to research, educate, and advocate for reasonable, rational, and equitable land use planning, laws, and regulations that encourage well-planned and sustainable economic growth in agriculture, housing, renewable energy, commercial and industrial uses, health care, and tourism, while safeguarding Hawai'i's significant natural, environmental, historic, and cultural resources, public health, and safety.

Over the past 46 years, LURF members have collectively built and assisted in building the most housing units in the State of Hawai'i by utilizing the building code, professional architects and engineers, and working collaboratively with state and county agencies and the State Building Code Council (SBCC). LURF has attended and testified at SBCC meetings over the past ten years.

LURF respectfully submits the following **COMMENTS and PROPOSED AMENDMENTS in strong support of SCR 69 / SR 64. LURF's proposed AMENDMENTS are to the focus of the audit:**

- Implementation of a **six-year adoption cycle**, with the exception of health and safety codes which may be amended on an as-needed basis;
- Adoption of a **Cost-Benefit Analysis requirement for proposed building code amendments for housing projects**;
- Including a **representative of the Building Industry Association of Hawai'i and a representative of the General Contractors Association of Hawai'i as permanent, standing members** of the State Building Code Council; and
- Requiring SBCC members to **disclose potential conflicts of interest, including *quid pro quo***.

LURF'S POSITION. LURF appreciates the importance of building codes to protect life, health and safety and the challenges of keeping up with the ever-changing building codes, and supports a fair process; that includes professionals with home-building expertise; a code cycle that adequately protects health, life and safety, but is also reasonable and long enough for training professionals and the construction industry; safeguards to assure that the building code process is not hijacked by one government office with the intent to prioritize their own policy goals despite the substantial increased costs of their proposals; requiring a cost-benefit analysis and alternatives; and disclosure of conflicts of interests of SBCC members which may influence their proposed building code changes.

Over the past several years, some of the proposed building codes for single-family and multi-family homes that exceeded national and international standards, and substantially increased the costs of housing, were initiated by members on the SBCC who did not have expertise with homebuilding and those SBCC members admitted that if the code changes were implemented, that their engineering firm would be "paid-back" for their volunteer SBCC service through a State contract to do the training and prepare informational materials on the new codes.

Prior to the Governor's Emergency Proclamation relating to the State Building Code Council, certain SBCC members **proposed new building codes that exceeded international and national building codes without substantial health and safety advantages, and which substantially increased costs of affordable housing across the State, while:**

- SBCC members that proposed such changes **lacked professional expertise and experience with building affordable housing**, and declined to defer to those on the SBCC with such housing expertise and experience;
- **Proposed building codes that exceeded international and national standards and substantially increased the costs of housing;**
- Refused to engage in any meaningful **cost-benefit analysis;**
- Used the State building code process to **prioritize the policy goals and objectives of their own State office**, despite the fact that **their proposals exceeded international and national building codes and substantially increased costs of affordable housing across the State; and**
- **Admitting potential conflict of interest and *quid-pro-quo*, and the intent to obtain a future State contract for training relating to the new building codes.**

LURF believes that the Auditor's performance audit of the SBCC will help to expose and address the challenges and problems with the SBCC, facilitate the updating of the codes, and support the timely delivery of housing and other construction projects.

Based on the reasons stated above, LURF is in **strong support of the attached PROPOSED AMENDMENTS to SCR 69 / SR 64.**

Thank you for the opportunity to provide comments in support of the attached proposed amendments.

LURF's proposed AMENDMENTS to SCR 69, Requesting the State Auditor to Conduct a Performance Audit of the Hawaii State Building Code Council

.....BE IT RESOLVED by the Senate of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2026, the House of Representatives concurring, that the State Auditor is requested to conduct a performance audit of the Hawaii State Building Code Council; and

BE IT FURTHER RESOLVED that the performance audit is requested to **focus on:**

- (1) The statutory purpose, duties, and authorities of the Hawaii State Building Code Council;
- (2) The efficiency and practicality of the three-year code adoption cycle, including consideration of whether there should be a 6-year adoption cycle, with an exception for health and safety codes which could be amended on an as-needed basis;
- (2) The impact of the Council on regulatory consistency among the counties;
- (3) The Council's historical performance in adopting and updating statewide building codes;
- (5) The impacts of statewide code adoption on construction costs, permitting timelines, and housing production in Hawaii, including consideration of whether the SBCC should implement a cost-benefit analysis;
- (6) The current makeup of the Council, including consideration of whether the SBCC should include a representative of the Building Industry Association of Hawai'i and a representative of the General Contractors Association of Hawai'i as permanent, standing members;
- (7) Whether the Council has provided measurable benefits to public safety, regulatory consistency, and efficiency in the construction industry; and
- (8) The implications of the Council's inactivity since September 15, 2023, including the impact on the adoption and implementation of building codes during that period; and

BE IT FURTHER RESOLVED that the State Auditor is requested to include in the audit:

- (1) Data collection and analysis on whether the counties generate sufficient revenue through permitting and related fees to fully or partially fund the operations of a building code council;
- (2) An examination of the historical hesitancy of the State to fund an executive director position for the Hawaii State Building Code Council;
- (3) An assessment of whether the counties, as the direct administrators and enforcers of building codes, should be the primary drivers and funders of the Council;

(4) Potential alternative governance structures for building code adoption in Hawaii, including whether any modifications to, restructuring of, or repeal of the Council, including consideration of whether the SBCC members should disclose potential conflicts of interests; and

(5) The viability of a model in which the counties manage, fund, and drive the code adoption process rather than the State; and

BE IT FURTHER RESOLVED that the State Auditor is requested to consult with the Department of Accounting and General Services, the Office of the Governor's Housing Team, the Planning Department of the County of Hawaii, the Planning Department of the County of Maui, the Planning Department of the County of Kauai, the Department of Planning and Permitting of the City and County of Honolulu, members of the construction industry, and other relevant stakeholders in preparing the audit; and

BE IT FURTHER RESOLVED that the State Auditor is requested to submit to the Legislature a report of its findings and recommendations, including any proposed legislation, no later than twenty days prior to the convening of the Regular Session of 2027; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, State Auditor, Comptroller, Director of the Planning Department of the County of Hawaii, Director of the Planning Department of the County of Maui, Director of the Planning Department of the County of Kauai, and Director of the Department of Planning and Permitting of the City and County of Honolulu.

OFFERED BY: _____