

ACT 127

H.B. NO. 351

A Bill for an Act Relating to Economic Development.

Be It Enacted by the Legislature of the State of Hawaii:

PART I.

SECTION 1. The legislature recognizes that a vigorous construction industry is essential to the overall economic health of the State. Any effort to stimulate Hawaii's construction industry would invigorate the state economy.

There are several ways government can facilitate construction growth, such as reducing the paperwork, red tape, and time required to obtain the licenses, permits, and approvals required by the State for county building projects. Greater coordination of state and county regulatory procedures is also necessary to reduce the time it takes for applicants to obtain the required approvals from state and county agencies to begin construction.

The purpose of this part is to expedite and facilitate the approval process within each state agency for county building permit applications requiring state agency approval. Nothing in this part amends the underlying requirements for a building permit.

SECTION 2. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§201- Permit process task force. (a) To assist the department of business, economic development, and tourism in the consolidated application process, there is established a permit process task force within the department for administrative purposes to streamline and facilitate the state permit approval process.

(b) The task force shall consist of eleven members, who shall be appointed by the governor. The task force shall consist of:

- (1) The comptroller or the comptroller's designated representative;
- (2) The director of business, economic development, and tourism or the director's designated representative;
- (3) The director of health or the director's designated representative;
- (4) The director of labor and industrial relations or the director's designated representative;
- (5) The chairperson of the board of land and natural resources or the chairperson's designated representative;
- (6) The director of transportation or the director's designated representative;
- (7) Representatives of construction labor unions;
- (8) Representatives consisting of developers, licensed building contractors, and members of the American Institute of Architects Hawaii State Council and the Consulting Engineers Council of Hawaii; and
- (9) A representative from the public at large.

Each member of the task force shall serve for a two-year term. The members of the task force shall serve without compensation, but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

(c) The task force, in conjunction with each affected state agency, shall:

- (1) Examine the consolidated application process and review all state agency rules pertaining to the state permit approval process to deter-

mine the source of inefficiencies, delays, and duplications, and the status of permits in progress;

- (2) Identify all permits and approvals that the State currently requires from applicants seeking approvals for projects that require county permit applications;
 - (3) Recommend to the governor which permits shall be approved by rule and which permits shall be approved by review, including the justification for approving each permit by rule or by review;
 - (4) Adopt a plan and make recommendations to enable all applicants seeking state agency approval for permits, to undergo the permit by rule procedure, rather than the permit by review procedure; and
 - (5) Provide recommendations to expedite and facilitate the permit approval process within each state agency for applicants seeking state permit approvals to start construction.
- (d) For purposes of this section:

“Permit by review” means permits approved by the appropriate state departments.

“Permit by rule” means permits approved by administrative rule.”

SECTION 3. Section 201-62, Hawaii Revised Statutes, is amended to read as follows:

“**[§201-62] Consolidated application process.** (a) State agencies are required, and county agencies are authorized and encouraged, to participate in the consolidated application process set forth herein.

(b) The department shall serve as a lead agency for the consolidated application procedure[,] and shall be the lead agency to administer and facilitate the consolidated application procedure for any project that requires both county permit applications and state agency approval.

(c) The procedure shall be as follows:

- (1) [The] An applicant for two or more state permits may apply in writing to the department requesting a consolidated application process for the consideration of the application. The written request shall include sufficient data about the proposed project for the department to determine which other agencies or authorities may have jurisdiction[.];
- (2) Upon receiving a written request for the consolidated application process, the department shall notify all federal, state, and county agencies or authorities which the department determines may have jurisdiction over part or all of the proposed project, and require those state agencies or authorities and invite those county and federal agencies or authorities to participate in the consolidated application process[.];
- (3) The applicant and each agency or authority required or agreeing to participate in the consolidated application process shall designate a representative to serve on the consolidated application review team[.];
- (4) Any state agency or authority designated by the department as a party to an application review that is not able to participate, shall submit an explanation, in writing, to the department as to the reasons and circumstances for noncompliance[.];
- (5) The representatives of the agencies, authorities, and the applicant may develop and sign a joint agreement among themselves identifying the members of the consolidated application review team, specifying the regulatory and review responsibilities of each government agency and setting forth the responsibilities of the applicant, and establishing a timetable for regulatory review, the conduct of necessary hearings,

- preparation of an environmental impact statement if necessary, and other actions required to minimize duplication and coordinate the activities of the applicant, agencies, and authorities[.];
- (6) Each agency or authority shall issue its own permit or approval based upon its own jurisdiction. The consolidated application process shall not affect or invalidate the jurisdiction or authority of any agency under existing law[.]; and
- (7) The applicant [must] shall apply directly to each federal or county agency [which] that does not participate in the consolidated application process.

(d) If a state regulatory permit is necessary to obtain a county permit, then a county agreeing to participate in the consolidated application process may advise the applicant of the consolidated application procedure. To apply for the consolidated application procedure, applicants for county permits involving state permit approvals shall submit a form, which shall be issued by the department; provided that this procedure shall apply only to state permits that need to be approved by a state agency following a review of the plans and certifications submitted by the applicant. State permits that are approved by rule require only that the licensed design professional certify that the plans and specifications are in compliance with state rules. No review by a state agency is required for state approval. Plans and specifications requiring state agency review shall be submitted with the consolidated application procedure to the appropriate state agency, with a copy to the department. If a state permit is approved by rule, then the participating county shall provide a set of drawings and specifications submitted by the applicant to the state agency that developed the rules.

In developing the procedures for approval by rule and by review, permit requirements shall be clearly stated. Performance standards, rather than specific technologies or procedures, shall be specified when appropriate.

(e) For purposes of this section:

“Permit by review” means permits approved by the appropriate state departments.

“Permit by rule” means permits approved by administrative rule.”

PART II.

SECTION 4. The legislature finds that the Hawaii film studio is an important asset that enhances Hawaii’s attractiveness to filmmakers from around the world. Movies and television productions made at the Hawaii film studio provide invaluable advertising for Hawaii and often result in other economic benefits to the State as a whole.

The purpose of this part is to authorize the department of business, economic development, and tourism to enter into a long-term lease for the Hawaii film studio if the director of business, economic development, and tourism determines that it would be in the best interests of the State to enter into such a lease for the Hawaii film studio with a private entity or entities.

SECTION 5. (a) The department of business, economic development, and tourism is authorized to lease the Hawaii film studio up to the maximum term allowable by law through a general request for proposals consistent with chapter 103D, Hawaii Revised Statutes, if the director of business, economic development, and tourism determines that it would be in the best interests of the State to lease the Hawaii film studio to a private entity or entities; provided that the lease shall require that the Hawaii film studio and property upon which it is situated continue to be used as a support facility for the production of film and television productions.

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(b) An award may be made and a contract may be entered into with the qualified and responsible proposer whose proposal is determined in writing to be the most advantageous to the State, taking into consideration price and evaluation factors set forth in the request for proposals.

SECTION 6. Notwithstanding the lease of the Hawaii film studio as provided in this Act, the film industry branch within the department of business, economic development, and tourism shall continue to be maintained and all officers and employees in the branch shall continue to perform their functions and duties but shall be relocated to appropriate office space within the department of business, economic development, and tourism.

PART III.

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.¹

SECTION 8. This Act shall take effect upon its approval.

(Approved June 16, 1997.)

Note

1. Edited pursuant to HRS §23G-16.5.