



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

GOV. MSG. NO. **811**

July 6, 2006

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Third State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on July 6, 2006, the following bill was signed into law:

SB2909 SD1 HD2 CD1

A BILL FOR AN ACT RELATING TO
PERMIT APPROVALS.
(ACT 280)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

THE SENATE
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

S.B. NO. 2909
S.D. 1
H.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO PERMIT APPROVALS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that automatic approval
2 is poor public policy. It can lead to negative consequences for
3 the community. An automatic approval occurs after government
4 agencies fail to take timely action to grant or deny an
5 application for a business or development-related permit,
6 license, or approval. As a result, applications for development
7 approvals, land reclassifications, liquor licenses, and other
8 permits, licenses, and approvals, can be granted by default.

9 Automatic approval eliminates the opportunity for local
10 decision making. Applications are often complex and must be
11 carefully reviewed, which can take significant time. In many
12 situations, this is difficult because departments are
13 understaffed and people serving on boards are volunteers. Any
14 good decision requires open public input, thorough discussion,
15 and careful consideration of various needs from the county
16 government, environmental interests, and community groups. When
17 a government body unjustifiably fails to take timely action on
18 an application, the employees responsible should be held



1 accountable, but the public should not have to suffer the
2 consequences of having an ill-advised or harmful project go
3 forward.

4 Prior to 1998, only applications to the board of land and
5 natural resources were subject to automatic approval. In 1996,
6 the board voted 3-2 to deny the Hawaii Electric Light Company's
7 request to install two combustion turbines in its power plant on
8 conservation district land in Ke`ahole. This vote took place
9 after the hearings officer, retired supreme court justice Frank
10 Padgett, recommended that the permit be denied on a number of
11 legal grounds. One board member did not vote because the member
12 owned shares in the Hawaii Electric Light Company and had a
13 conflict of interest. Despite the vote, the third circuit court
14 held that since a majority of all six members of the board are
15 needed to ratify an action, no legally binding decision was
16 reached prior to the deadline for action and the permit was
17 automatically approved. After the permit was issued, fourteen
18 lawsuits ensued over the Ke`ahole power plant, which stalled the
19 project for years.

20 In November 1999, the Kaua`i planning commission considered
21 a proposal from Kaua`i Electric Company to build a new power
22 plant on agricultural land. The community testified in force



1 against the project. Two of the seven commissioners were
2 absent. Three supported the power plant. Two opposed it. One
3 of the proponents asked the corporation counsel for an opinion
4 on the legal effect of a 3-2 vote. The answer was that the
5 effect would be automatic approval, without any conditions at
6 all. In order to ensure that harm caused by the plant would be
7 mitigated a little bit by a conditional approval, one of the
8 opponents voted for the plant, making it a 4-1 vote and
9 eliminating an automatic approval.

10 The county of Hawaii has granted by default a number of
11 zoning and subdivision variances because it could not
12 satisfactorily review the application within the time limits.

13 The purpose of this Act is to allow a county to opt out of
14 the automatic approval law by adopting an ordinance to exempt
15 the county as a whole or any county agency from the automatic
16 permit approval law.

17 SECTION 2. Section 91-13.5, Hawaii Revised Statutes, is
18 amended by amending subsection (e) to read as follows:

19 "(e) This section shall not apply to [any]:

20 (1) Any proceedings of the public utilities commission

21 []; or



1 (2) Any county or county agency that is exempted by county
2 ordinance from this section."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect upon its approval.



GOVERNOR OF THE STATE OF HAWAII

Approved this day: JUL - 6 2006



THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006.


President of the Senate



Clerk of the Senate

**THE HOUSE OF REPRESENTATIVES
OF THE STATE OF HAWAII**

Date: May 2, 2006
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006.


Speaker, House of Representatives


Clerk, House of Representatives