

JAN 25 2006

A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 SECTION 1. Hawaii's construction industry is currently
2 experiencing a boom with recent reports indicating that it will
3 continue expanding, adding more jobs and money into the local
4 economy over the next several years. Statewide construction
5 jobs grew 4.9 per cent in 2004 to roughly twenty-nine thousand
6 three hundred jobs with expected increases of 6.5 per cent in
7 2005 and 3.1 per cent in 2006. Experts believe that this gain
8 in the construction industry has been fueled by moderate but
9 steady local economic expansion, stronger population growth,
10 out-of-state second-home buyers for resort properties, low
11 interest rates, and increases in the privatization of military
12 construction projects. However, while the expansion of the
13 construction industry continues, the industry still faces a
14 number of unanswered questions, such as the adequacy of the
15 workforce, and complaints such as the bureaucracy and redundancy
16 faced when developing properties.

17 The purpose of this Act is to convene a task force in the
18 department of labor and industrial relations to study the



1 feasibility of establishing a Hawaii construction authority to
2 develop and implement a strategic, long-range, construction
3 development plan for the State of Hawaii and streamline the
4 construction process.

5 SECTION 2. (a) There is established a Hawaii construction
6 authority task force within the department of labor and
7 industrial relations for administrative purposes which shall
8 consist of the following members:

- 9 (1) The director of labor and industrial relations, or a
10 designated representative;
- 11 (2) The director of commerce and consumer affairs, or a
12 designated representative;
- 13 (3) The director of business, economic development, and
14 tourism, or a designated representative;
- 15 (4) The chairperson of the board of land and natural
16 resources, or a designated representative;
- 17 (5) A member of the workforce development councils from
18 each county;
- 19 (6) A representative of each county to be appointed by
20 their respective mayors;
- 21 (7) A representative from the board of water supply of the
22 city and county of Honolulu, or a designee, who shall

1 also serve as the liaison of the task force to the
2 directors of the boards of water supply of the other
3 counties;

4 (8) A representative of Hawaiian Electric Company, or a
5 designee;

6 (9) A representative of Hawaiian Telcom, or a designee;

7 (10) A representative of the Building Industry Association
8 of Hawaii, or a designee;

9 (11) A representative of the Hawaii Building and
10 Construction Trades Council, or a designee;

11 (12) A member of the Sierra Club, or other similar
12 environmental organization, or a designee;

13 (13) An individual having knowledge, experience, and
14 expertise in the area of construction, architecture,
15 and engineering;

16 (14) An individual having knowledge, experience, and
17 expertise with labor organizations representing the
18 construction trades;

19 (15) An individual having knowledge, experience, and
20 expertise in the area of Hawaiian cultural practices;
21 and

1 (16) Any other agency or designee deemed appropriate by the
2 director of labor and industrial relations.

3 (b) The task force shall conduct a study of the state's
4 construction industry to determine the feasibility of
5 establishing a Hawaii construction authority that will create
6 and develop a long-range strategic plan for construction in
7 Hawaii, including the development, coordination, and
8 implementation of state policies for the construction industry
9 and related activities taking into account the economic, social,
10 and physical effects of construction on the state and its
11 natural resources and infrastructure. The study shall include
12 but not be limited to:

13 (1) An analysis of the number and types of government
14 agencies involved in the construction industry
15 permitting process;

16 (2) An overview of the permitting process for new
17 developments;

18 (3) A review and analysis of the licensing requirements
19 for construction trades;

20 (4) A review and listing of construction projects already
21 in progress;

- 1 (5) A review and listing of construction projects targeted
- 2 to begin during the current calendar year;
- 3 (6) A review and listing of construction projects
- 4 projected to begin during the next five calendar
- 5 years;
- 6 (7) A review of all federal, state, and county laws that
- 7 will affect the construction industry in the state;
- 8 (8) Efforts to improve the construction industry through
- 9 coordination among agencies that provide oversight or
- 10 have jurisdiction over construction projects;
- 11 (9) Projections on the labor needs of the construction
- 12 industry and the capabilities of the construction
- 13 industry to meet these demands;
- 14 (10) Efforts to improve the education and training of the
- 15 building trades;
- 16 (11) A review of all state and county laws to determine
- 17 whether there is redundancy, and if so, whether
- 18 elimination of this redundancy will improve the
- 19 construction industry in the state;
- 20 (12) An analysis of the finite resources, such as land and
- 21 drinking water, affected by increased development and



- 1 whether the development of a construction authority
2 would assist in the protection of these resources;
- 3 (13) The environmental impact of increased development;
- 4 (14) The benefits, as well as the drawbacks of establishing
5 a Hawaii construction authority;
- 6 (15) The costs of establishing a Hawaii construction
7 authority;
- 8 (16) The impact the establishment of a Hawaii construction
9 authority would have on public employees and
10 departments currently administering programs that
11 would be incorporated into a Hawaii construction
12 authority; and
- 13 (17) Any other objective deemed necessary by the director
14 of labor and industrial relations.

15 SECTION 3. The director of labor and industrial relations,
16 in consultation with the task force, shall submit a report to
17 the legislature, including findings, recommendations, and draft
18 legislation, no later than twenty days prior to the convening of
19 the regular session of 2008.

20 SECTION 4. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so much

1 thereof as may be necessary for fiscal year 2006-2007 for the
2 establishment of a Hawaii construction authority task force.

3 The sum appropriated shall be expended by the department of
4 labor and industrial relations for the purposes of this Act.

5 SECTION 5. This Act shall take effect on July 1, 2006.

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INTRODUCED BY: Carole Fukuoka
Will Eyo



SB. NO. 2546

Report Title:

Hawaii construction authority; construction; task force

Description:

Establishes a task force to study the feasibility of establishing a Hawaii construction authority.

