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# A BILL FOR AN ACT

RELATING TO STREAMLINING PERMIT, LICENSE, AND APPROVAL  
APPLICATION PROCESSING.

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

1           SECTION 1. Senate Concurrent Resolution No. 132, S.D. 1  
2           (2009), established a task force to determine the economic  
3           contributions of the construction industry in Hawaii and to  
4           develop a series of proposals for state actions to preserve and  
5           create new jobs in the local construction industry. This Act  
6           implements one of the task force's proposals in conjunction with  
7           the Abercrombie administration's support for state actions to  
8           create new jobs in Hawaii's construction industry.

9           In addition, in 2010, the senate committee on economic  
10          development and technology and the house committee on economic  
11          revitalization, business, and military affairs convened an  
12          informal small business discussion group to address the most  
13          critical issues facing the small business sectors within  
14          Hawaii's economy. Representatives from the Chamber of Commerce  
15          of Hawaii, construction and trades industries, community  
16          nonprofits, the agricultural sector, food and restaurant  
17          industries, retailing, the science and technology sector, the



1 commercial transportation industry, and interested stakeholders  
2 developed a package of bills that address the most pressing  
3 problems facing Hawaii's small business community.

4 The purpose of this Act is to support the findings of the  
5 small business working group and the recommendations proposed by  
6 the construction industry task force to streamline portions of  
7 the review process for permits, licenses, and approvals to  
8 minimize time delays, and to expedite the start of construction  
9 for workforce housing and other projects that will result in the  
10 generation of construction and other related jobs.

11 SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended  
12 by adding a new section to be appropriately designated and to  
13 read as follows:

14 "§46- Third-party permit, license, and approval  
15 processing review. (a) Each county may provide a third-party  
16 with permit, license, and approval processing review powers to  
17 increase the efficiency and timeliness of permit, license, or  
18 approval applications submitted to the State or respective  
19 county.

20 Specifically, each county may contract with licensed  
21 architects and engineers who are qualified by the respective  
22 county to certify compliance with various building, electrical,



1 mechanical, plumbing, and structural codes, as well as land use  
2 ordinances, by reviewing an application for a permit, license,  
3 or approval.

4 (b) Third-party reviewers shall be retained by an owner of  
5 the property being reviewed and all fees and costs for third-  
6 party review services shall be the responsibility of the owner  
7 of the property being reviewed.

8 (c) Third-party reviewers shall conduct their review  
9 services for the purpose of certifying that the proposed plans  
10 and specifications are in compliance with any applicable  
11 federal, state, or county laws, rules, ordinances, and codes.  
12 Certifications by third-party reviewers shall be limited to only  
13 those areas approved by the State or respective county and those  
14 areas in which the third-party reviewer is licensed.

15 (d) Third-party reviewers shall not have the authority to  
16 grant any modifications, variances, waivers, exemptions, or  
17 other discretionary approvals.

18 (e) An individual or entity that provides third-party  
19 review services that are authorized and in accordance with this  
20 section shall be immune from liability, except for acts of the  
21 third-party reviewer that result from the reviewer's intentional  
22 misconduct, gross negligence, or malfeasance."



1 SECTION 3. Section 6E-42, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) Before any agency or officer of the State or its  
4 political subdivisions approves any project involving a permit,  
5 license, certificate, land use change, subdivision, or other  
6 entitlement for use, which may affect historic property,  
7 aviation artifacts, or a burial site, the agency or [~~office~~]  
8 officer shall advise the department and prior to any approval,  
9 allow the department an opportunity for review and comment on  
10 the effect of the proposed project on historic properties,  
11 aviation artifacts, or burial sites, consistent with section  
12 6E-43, including those listed in the Hawaii register of historic  
13 places. The department shall have a maximum of sixty days to  
14 complete a review and comment, beginning from the time the  
15 department is advised of the proposed project by the agency or  
16 officer of the State or its political subdivisions. If the  
17 department fails to complete a review and comment within sixty  
18 days, the proposed project shall be deemed approved. Projects  
19 previously reviewed by the department pursuant to this section  
20 and found to have no impact on historic properties, aviation  
21 artifacts, or burial sites shall not be subject to subsequent  
22 department reviews under this section."



1 SECTION 4. Section 91-13.5, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) Unless otherwise provided by law, an agency shall  
5 adopt rules that specify a maximum time period to grant or deny  
6 a business or development-related permit, license, or approval;  
7 provided that the application is not subject to [~~state~~  
8 ~~administered~~] State-administered permit programs delegated,  
9 authorized, or approved under federal law. If an agency has not  
10 adopted rules specifying the maximum time period to grant or  
11 deny a permit, license, or approval pursuant to this section,  
12 the application shall be deemed approved thirty calendar days  
13 after a completed application is submitted to the State or  
14 respective county agency; provided that the completed  
15 application is submitted to the State or respective county on or  
16 after January 1, 2012."

17 2. By amending subsections (f) and (g) to read:

18 "(f) This section shall not apply to[+

19 ~~(1) Any]~~ any proceedings of the public utilities  
20 commission[~~+~~or

21 ~~(2) Any county or county agency that is exempted by county~~  
22 ~~ordinance from this section].~~



1           (g) For purposes of this section, "application for a  
2 business or development-related permit, license, or approval"  
3 means any state or county application, petition, permit,  
4 license, certificate, or any other form of a request for  
5 approval required by law to be obtained prior to the formation,  
6 operation, or expansion of a commercial or industrial  
7 enterprise, or for any permit, license, certificate, or any form  
8 of approval required under sections 46-4, 46-4.2, 46-4.5, and  
9 46-5, and chapters 183C, 205, 205A, 340A, 340B, 340E, 340F,  
10 342B, 342C, 342D, 342E, 342F, 342G, 342H, 342I, 342J, 342L, and  
11 342P[-], and shall include any permit, license, certificate, or  
12 other form of approval for county land use, subdivision,  
13 grading, grubbing, building, or plan approval."

14           SECTION 5. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16           SECTION 6. This Act shall take effect on July 1, 3000.



**Report Title:**

Construction Task Force (2010); Permit Processing; Maximum Time

**Description:**

Authorizes counties to contract with a third-party reviewer to streamline construction permit, license, and other application processing; provides that applications will be deemed approved if historic preservation division fails to review and comment within sixty days, and after thirty days if agencies fail to establish maximum time periods for permit and other application processing. Effective July 1, 3000. (HB376 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

