

# LATE TESTIMONY



Testimony to the Senate Committees on Public Safety, Government Operations and  
Military Affairs & Economic Development and Technology  
Thursday, March 17, 2011 at 2:45 p.m.  
Conference Room 224, State Capitol

**RE: HOUSE BILL NO. 376 HD1 RELATING TO STREAMLINING PERMIT,  
LICENSE, AND APPROVAL APPLICATION PROCESSING**

Chairs Espero and Fukunaga, Vice Chairs Kidani and Wakai, and Members of the Committees:

The Chamber of Commerce of Hawaii ("The Chamber") is in general **support** of HB 376 HD1, which is one of the bills in the Small Business Caucus package. The Chamber appreciates the effort of the Legislature to help small businesses in Hawaii.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure 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 Chamber supports streamlining portions of the review process for permits, licenses and other applications processing. One of the top priorities and concerns of the business community is the long delay and burdensome administrative requirements of the permitting process. Authorizing counties to contract with a third-party reviewer will reduce some of the inefficiencies and expedite the start of construction for workforce housing projects, which will create much needed jobs in our State.

The Chamber asks that the committee pass HB 376 HD1 for further discussion. Thank you for the opportunity to provide testimony.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 20, 2011 6:22 AM  
**To:** PGM Testimony  
**Cc:** chriscramer75@hotmail.com  
**Subject:** Testimony for HB376 on 3/22/2011 2:45:00 PM

Testimony for PGM/EDT 3/22/2011 2:45:00 PM HB376

Conference room: 224  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: chris cramer  
Organization: Individual  
Address:  
Phone:  
E-mail: [chriscramer75@hotmail.com](mailto:chriscramer75@hotmail.com)  
Submitted on: 3/20/2011

**Comments:**

If you think natural disasters are bad now, wait until our houses and developments become automatically approved by this bill regardless of if they are safe or up to code. Many people could die if this bill is approved.

This bill also allows for third party reviewers to be hand picked by developers.

As we have seen with various archeologists handpicked and paid by developers to review their own projects, the public often suffers from the lack of thorough review. We will lose many historic sites and will have unsafe projects built

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March 17, 2011

Senator Will Espero, Chair and Senator Michelle N. Kidani, Vice Chair  
Senate Committee on Public Safety, Government Operations, and Military Affairs  
Senator Carol Fukunaga, Chair and Senator Glenn Wakai, Vice Chair  
Senate Committee on Economic Development and Technology

**Support for Portion of HB 376, HD 1, Relating to Streamlining Permit, License, and Approval Application Processing. (Support authorization for counties to contract with third-party reviewer; and Deferral of SHPD 60-day comment period and 30 days for other agencies.)**

**Thursday, March 17, 2011 at 2:45 p.m. in CR 224**

My name is Dave Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF is in **strong support** of the portion of HB 376, HD1, which authorizes counties to contract with a third-party reviewer to streamline construction permit, license, and other application processing; we also support the **deferral** of the sections of the bill which provide that applications will be deemed approved if the State Historic Preservation Division of the Department of Land and Natural Resources (SHPD) fails to review and comment within 60 days, and after 30 days if agencies fail to establish maximum time periods for permit and other application processing.

**HB 376, HD 1.** The main provisions of HB 376, HD 1 can be summarized as follows:

- (1) **Third-Party Review.** Allows the counties to contract with licensed, qualified architects, and engineers to serve as third-party reviewers to certify compliance with various construction codes as well as land-use ordinances;
- (2) **SHPD 60-day review.** Limiting to 60 days the period within which the Department of Land and Natural Resources (DLNR) has to review and comment on pending state and county project approvals that affect historic properties, aviation artifacts, or burial sites before the proposed project will be deemed approved; and
- (3) **30-day review for other agencies.** Providing that if an agency has not adopted rules specifying the maximum period within which to grant or deny a business or development-related permit, license, or approval, the application will be deemed

approved 30 calendar days after a completed application is submitted to the State or respective county agency.

**LURF's Position.** LURF is in **strong support of the "third party review" portion of HB 376, HD1**, to streamline construction permit, license, and other application processing, which has been successfully implemented by the City and County of Honolulu for more than six years.

At this time, LURF also supports the **deferral** of the sections of the bill which relate to SHPD review and time periods for other agency permit review and other application processing. Perhaps during the legislative interim period, there can be a review and analysis of the SHPD and other government permit review processes and the issue of permit review time periods can be revisited next legislative session.

**Background.** The process of reviewing permits, licenses, and approvals for workforce housing and other projects submitted to the State and each county is long and often results in significant delays prior to the start of each project. The proponents of this bill envision that the enactment of certain statutory provisions will help to streamline and enhance the efficiency of the permit and license review and approval process. For example, statutory provisions that establish a maximum time period for agencies to grant or deny related permits, licenses, and approvals, will expedite the start of construction for workforce housing projects throughout the State and will result in the generation of construction and other related jobs that are badly needed in the economy.

Senate Concurrent Resolution No. 132, S.D. 1 (2009), established a Construction Industry Task Force (Task Force) to determine the economic contributions of the construction industry in Hawaii. As directed in the concurrent resolution, the Task Force has developed a series of proposals for State actions to preserve and create new jobs in the local construction industry. Additionally, in 2010, the Senate Committee on Economic Development and Technology and the House Committee on Economic Revitalization, Business, and Military Affairs convened an informal small business discussion group to address the most critical issues facing the small business sectors. This bill is also a product of that working group which included representatives from the business sector, construction and trade industries, food and restaurant industries, retailing, the science and technology sector, the commercial transportation industry, and interested stakeholders.

The intent of this bill is to implement the proposals of the Task Force and the small business discussion group. Accordingly, this bill is intended to streamline portions of the review process for permits, licenses, and approvals to minimize time delays and to expedite the start of construction for workforce housing and other projects that will result in the generation of construction and other related jobs.

**Conclusion.** LURF believes that the third-party review provisions of HB 376, HD 1 will effectively achieve those purposes, without jeopardizing the preservation of historic properties, or compromising the environment, health and safety of the public.

We appreciate the opportunity to present our **support of the third-party review provisions of HB 376, HD 1**, and ask for your favorable consideration of this bill.

# LATE TESTIMONY

The Pacific Resource  
**PARTNERSHIP**



Testimony of C. Mike Kido  
External Affairs  
The Pacific Resource Partnership

Senate Committee on Public Safety, Government Operations, and Military Affairs  
Senator Will Espero, Chair  
Senator Michelle Kidani, Vice Chair

Senate Committee on Economic Development and Technology  
Senator Carol Fukunaga, Chair  
Senator Glenn Wakai, Vice Chair

HB 376, HD1 -- Relating to Streamlining Permit, License, and Approval Application Processing  
Thursday, March 17, 2011  
2:45 P.M.  
Conference Room 224

Chair Will Espero, Chair Carol Fukunaga and Members of the Committees:

My name is C. Mike Kido, External Affairs for the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Carpenters Union.

PRP supports HB 376, HD1 -- Relating to Streamlining Permit, License, and Approval Application Processing which authorizes counties to contract with a third-party reviewer to streamline construction permit, license, and other application processing. This bill also provides that applications will be deemed approved if historic preservation division fails to review and comment within 60 days, and after 30 days if agencies fail to establish maximum time periods for permit and other application processing.

As stated in SCR 132 Construction Industry Task Force (2010) report:

Recommendation

- Authorize the counties to provide third-party reviews for permit processing. Establish liability thresholds for third-party review services:

Testimony of C. Mike Kido

HB 376, HD1 – Relating to Streamlining Permit, License, and Approval Application Processing

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- Authorize licensed architects and engineers that are qualified by a county to certify compliance for Building, Electrical, Mechanical/Plumbing, Land User Ordinance, and Structural Codes for building permit and other approvals.
- Third-party reviewers shall be retained by an owner and all fees and costs for third-party review services shall be the responsibility of the owner.
- Third-party reviewers shall conduct plan review services for the purpose of certifying that the proposed plans and specifications are in compliance with federal, state, and county laws, codes, ordinances, rules, and other requirements.
- Certifications by third-party reviewers shall be limited to only those areas approved by the county and in which the third-party reviewer is duly qualified.
- Third-party reviewers shall not have the authority to grant modifications, variances, waivers, exemptions, or other discretionary approvals.
- Private individuals or entities providing third-party review services shall be immune from liability, except for intentional misconduct, gross negligence, or malfeasance.

PRP understands and appreciates the difficulty faced by the Legislature in determining ways to achieve a quick economic recovery and thus support HB 376, HD1 to help streamline and enhance the efficiency of the permit and license review and the approval process. This process *involves only ministerial permits and not discretionary department approval* which will expedite the start of construction for workforce housing projects throughout the State and will result in the generation of construction and other related jobs that are much needed in our economy.

Thank you for the opportunity to share our opinion and we kindly ask for your support of HB 376, HD1 – Relating to Streamlining Permit, License, and Approval Application Processing.