

STAND. COM. REP. NO.

2596

Honolulu, Hawaii

MAR 01 2018

RE: S.B. No. 2645  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2645, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to require, for any proposed action involving construction for which an environmental impact statement has been accepted by an agency but for which construction has not commenced within ten years of the acceptance of the statement, the developer of the construction project to exercise due diligence and hold community discussion and feedback sessions to share relevant and new information surrounding the project.

Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii, Building Industry Association of Hawaii, and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Department of Agriculture and Department of Transportation.

Your Committee finds that in 2010, the Hawaii Supreme Court ruled against the assumption that an environmental impact statement remains indefinitely valid once completed and approved. Your Committee also finds that many large-scale projects that require an environmental impact statement take years longer than



originally planned. Your Committee further finds that existing administrative rules require a supplemental environmental impact statement when a project with an approved environmental impact statement has changed substantively, including in terms of timing, but supplemental environmental impact statements can create uncertainty and extra costs for construction projects that are already delayed and over budget. Your Committee finds that establishing an explicit time frame of validity for an environmental impact statement, in combination with mandatory community involvement during periods of construction delay, will prevent this additional cost and uncertainty by ensuring that an environmental impact statement will not go stale, without triggering a costly supplemental environmental impact statement in every situation.

Your Committee has heard the concerns of the General Contractors Association of Hawaii, Building Industry Association of Hawaii, and Land Use Research Foundation of Hawaii that this measure may stifle investment in construction projects in the State, and may be premature as the Department of Health's Environmental Council is still engaged in revising the Environmental Impact Statement administrative rules. Your Committee finds that further discussion of these matters is necessary as this measure proceeds through the legislative process.

Your Committee has also heard the concerns of the Department of Agriculture that the Department is reliant on state funding for completion of its capital improvement projects. Your Committee finds that state funding can be delayed, and that capital improvement projects are frequently complex, taking years for construction to begin even after the environmental impact statement is completed.

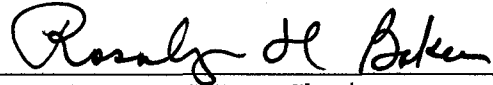
Accordingly, your Committee has amended this measure by exempting any capital improvement projects undertaken by the Department of Agriculture on state-owned agricultural lands and irrigation water systems from the requirements of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2645, S.D. 1, as amended herein,



and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2645, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Health,



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ROSALYN H. BAKER, Chair



