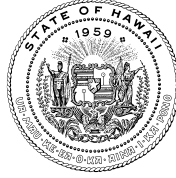


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWÉ LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON WATER & LAND

FEBRUARY 14, 2023, 8:30 AM
CONFERENCE ROOM 430 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 1206 HD1

RELATING TO A STATE PERMITTING OFFICE

Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee, thank you for the opportunity to submit comments to House Bill (H.B.) 1206 HD1, which establishes the State Permitting Office within the Department of Accounting and General Services (DAGS) to process building and infrastructure permits for construction of state-owned buildings, state roads and highways, and other construction on state lands.

We appreciate the intent of this proposed legislation as DAGS is often faced with significant delays directly related to the permitting process. The permitting delays are often due to resource limitations, volume of permits, and the complexity of the projects under review. We recognize the important role that each county plays in processing building and other construction-related permits and, as mentioned in our previous testimony, we've found each county permitting office to be willing to help.

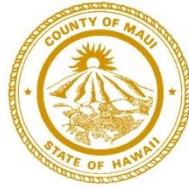
The State does have the ability to exempt itself from the county-driven permitting process if it so desires. DAGS has used this exemption on a very limited basis because we've found this creates more problems than benefits. The language related to the Certificate of Occupancy (CO) and the connection to "county" services will be beneficial in alleviating the concerns we have in exempting our projects.

While we appreciate the concept and see merit in the creation of a State Permitting Office for State projects, we would humbly request that the committee consider allowing us to develop a streamlined permitting process for state projects with the new language pertaining to the CO and connection to "county" services within a 5-year pilot program before the creation of a new State Permitting Office. We also request \$500,000 in funding to support the pilot program efforts, which may include specialized technical research and training, promulgation of rules, and provision of necessary expertise. We pledge to work with each county to develop this new process and necessary statutory language, reporting back to the legislature annually on the progress and outcome of our state-exempted projects.

Thank you for the opportunity to submit testimony on this measure.

RICHARD T. BISSEN, JR.
Mayor

KEKUHAUPIO R. AKANA
Acting Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
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February 12, 2023

TO: Honorable Rep. Linda Ichiyama, Chair
Honorable Rep. Mahina Poepoe, Vice Chair
House Committee on Water & Land

FROM: Richard T. Bissen, Jr., Mayor
Jordan Molina, Director of Public Works

DATE: February 12, 2023

SUBJECT: OPPOSITION OF HB1206 HD1, RELATING TO A STATE PERMITTING OFFICE

Thank you for the opportunity to testify in strong **OPPOSITION** of this measure. The purpose of this measure is to establish a state permitting office to quickly and efficiently process building and infrastructure permits for construction of state buildings, state roads and highways, and other construction on state lands, while simultaneously ensuring that the construction complies with all state and county building and infrastructure requirements.

Our administration **OPPOSES** this measure for the following reasons:

1. The HD1 draft of this measure added Section 107-D requiring the County to issue certificates of occupancy for state permits.
 - Requiring county oversight of the certificate of occupancy of the building permit issued by the state undermines the intent of this measure, which is to bypass the county's process. If the county permit process is the source of delays, then engaging the County in the process at the tail end does not support the intent of the bill, which is to expedite the project completion by eliminating the County in the building permit process.
 - The purpose of the certificate of occupancy is to certify compliance that a building or structure contains no violations of the provision of the building code or other laws that are enforced by the permitting agency. The bill requires the state-designated inspector to provide the final

inspections and formal acceptance of the building, which is a certification of compliance with State laws. As the County has no control of the approval of the permit and inspections during construction, it is not responsible for the County to issue the certificate of occupancy. Under the proposed bill, the state permitting office would be the permitting agency, and therefore, the state permitting office is the appropriate agency to issue the certificate of occupancy and render the determination of compliance of its approval of the building permit.

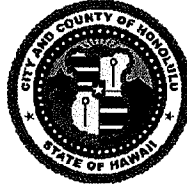
2. The HD1 draft of his measure added Section 107-D requiring the County to allow infrastructure connections for state permitted projects.
 - The bill seems to imply that the State is entitled to the county infrastructure services without complying with the requirements of infrastructure improvements that may be necessary to ensure safety and/or provide adequate utility services to the building. Mandating that the State can connect to county-infrastructure without complying with infrastructure requirements puts the public health and safety at risk.
3. This measure, under Section 107-E, requires that the state permitting office develop rules in consultation with the State Building Code Council (SBCC).
 - This will be a challenge as DAGS has never hired the Executive Director or the Executive Assistant positions as required by HRS 107-23 that support the SBCC. Due to this oversight, the SBCC has struggled to adopt an amendment to the state building code. Likewise, members of the SBCC will have to prepare and write their own meeting agendas and minutes. It will likely be difficult for the SBCC to find the capacity to support this additional requirement.

For the foregoing reasons, we OPPOSE this measure, but we support the companion bill, SB618 in its current form as an alternative to HB1206 HD1.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR



DAWN TAKEUCHI APUNA
DIRECTOR DESIGNATE

JIRO SUMADA
DEPUTY DIRECTOR

February 14, 2023

The Honorable Linda Ichiyama, Chair
and Members of the Committee on Water & Land
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Ichiyama and Committee Members:

**Subject: House Bill No. 1206, HD 1
Relating to a State Permitting Office**

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 1206, HD 1, in its current form. The Bill would establish a permitting office within the Department of Accounting and General Services to process building and infrastructure permits for construction of state-owned buildings, state roads and highways, and other construction on State lands.

The DPP takes no position on the creation of a State building permit office. The State already has the authority to exempt itself from the county permitting process. If anything, allowing the State to issue its own building permits would reduce the burden on the DPP as we've processed 1,217 State permits from 2015-2022. However, we cannot support the HD 1, which would require that the counties issue certificates of occupancy once construction is completed. What this amendment is asking is for the counties to blindly approve a project and close a permit that we did not review, comment on, or inspect. Our issuance of a certificate of occupancy will rely on a final inspection by a "state-designated inspector," whose qualifications are not defined in the Bill, and to which the DPP has no oversight or involvement.

Building codes exist for a reason, and that is to ensure the health and safety of a building's occupants and the general public. A permit application is just the beginning of a detailed and involved process to ensure this. Once we approve a permit, it is automatically assigned to various DPP building inspectors, who visit construction sites while the work is ongoing and are involved in the project from start to finish to ensure that the work is being done according to the approved plans. If problems are detected, the inspector will inform the contractor that certain things need to be fixed, even to the point of issuing a notice of violation and stop-work order. Only after the inspectors are

The Honorable Linda Ichiyama, Chair
and Members of the Committee on Water & Land
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satisfied that the work meets all codes and the structure is safe to occupy, will they issue a certificate of occupancy.

What House Bill No. 1206, HD 1, does is bypass these safety measures and require the counties to trust and rely on an unknown third-party inspector to determine if a building is safe to occupy. We believe if the State is going to issue building permits, then it should also complete the process by closing them with a final inspection and certificate of occupancy. The Committee should therefore consider amending the Bill to include inspections by State inspectors capable and authorized to issue certificates of occupancy.

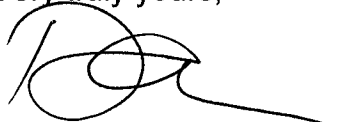
Also, we oppose the section in this Bill that would give the State the right to connect to county infrastructure services without complying with the requirements of the respective agencies.

In summary, we do not oppose the creation of a State building permit office. But we are opposed to the sections that would require that the counties issue certificates of occupancy, and also allow the State to connect to county infrastructure services without county approval.

For the reasons stated above, we ask that this Bill be held in committee.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dawn Takeuchi Apuna', with a long horizontal line extending to the right.

Dawn Takeuchi Apuna
Director