

STAND. COM. REP. NO.

2141

Honolulu, Hawaii

FEB 06 2024

RE: S.B. No. 2042

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2042 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a permit process that shifts the responsibility for code compliance from the counties to the design professional for all single-family and multi-family residential projects by requiring counties to grant building permits within sixty days if applications are stamped and certified by the design professional.

Your Committee received testimony in support of this measure from Stanford Carr Development, LLC; Hawaii Habitat for Humanity Association; Building Industry Association; Hawaii Chamber of Commerce Hawaii; and one member of the Maui County Council.

Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee received comments on this measure from the Department of Land and Natural Resources and Grassroot Institute of Hawaii.



Your Committee finds that Hawaii has some of the longest processing times for residential building permits. A study prepared by the University of Hawaii Economic Research Office in April 2022 found that, on average, Hawaii homebuilders wait three times longer for permits than those in other states, which drives up costs significantly and creates uncertainty, serving as a disincentive to build new projects. Your Committee also finds that in other municipalities around the country, building plans are not scrutinized to the extent that they are in Hawaii counties, which contributes to these delays. Given that similar professional self-certification programs have proven to be successful in other jurisdictions, this measure will shorten the permit review process by shifting the responsibility of meeting building codes onto the design professionals without compromising the safety and quality of construction.

Your Committee notes the concerns raised in testimony that allowing third-party reviewers to review permit applications contradicts what has customarily and historically been performed by civil service employees and that it is the county's responsibility to make sure that building plans meet applicable codes for the public's safety and welfare. Your Committee finds that these concerns merit further consideration and requests that subsequent Committees that may hear this measure further examine these issues as the measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting language specifying that if a permit is not approved by the county within sixty days of a complete application being filed, it shall be deemed approved; provided that county approval has not been delayed due to non-compliance of the permit with applicable state law or county ordinances;
- (2) Inserting language establishing that an application shall not be considered complete until:
  - (A) Either the county has made a reasonable and good faith determination that the project does not have the potential to affect historic properties, archeological resources, or burial sites; or the

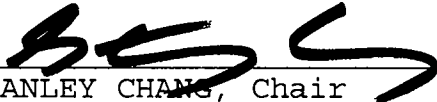


project has completed the process under chapter 6E, Hawaii Revised Statutes; and

- (B) The developer submits documentation evidencing that the proposed development does not encroach in certain flood hazard areas, or has been reviewed for floodplain management compliance and has been issued a development permit for construction by the applicable community official; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2042, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,

  
STANLEY CHANG, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes  
 Committee on Housing  
 HOU**

Bill / Resolution No.:* <i>SB 2042</i>	Committee Referral: <i>HOU, JDC</i>	Date: <i>1/30/24</i>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

<input type="checkbox"/> Pass, unamended <small>2312</small>	<input checked="" type="checkbox"/> Pass, with amendments <small>2311</small>	<input type="checkbox"/> Hold <small>2310</small>	<input type="checkbox"/> Recommit <small>2313</small>
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Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.	✓			
KANUHA, Dru Mamo				X
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>

Recommendation:  Adopted  Not Adopted

Chair's or Designee's Signature:

Distribution: Original Yellow Pink Goldenrod  
File with Committee Report Clerk's Office Drafting Agency Committee File Copy

**\*Only one measure per Record of Votes**