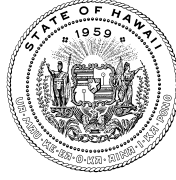


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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 LAWELAWE 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 GOVERNMENT OPERATIONS

TUESDAY, FEBRUARY 6, 2024, 3:10PM
CONFERENCE ROOM 225, STATE CAPITOL

S.B. 618

RELATING TO A STATE PERMITTING OFFICE

Chair McKelvey, Vice Chair Gabbard, and Members of the Committee, thank you for the opportunity to submit **comments** on S.B. 618 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, the 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 we've found each county permitting office to be willing to help.

Although the State does have the ability to exempt itself from the county-driven permitting process, DAGS has used this exemption on a very limited basis because this may create more problems than benefits. For example, without a county building permit, it is difficult to obtain the Certificate of Occupancy (CO) necessary for liability insurance, or county services, which may include such services as emergency first response, water, wastewater, and other infrastructure connection, and trash collection.

While we appreciate the concept of a State Permitting Office for State projects, we instead request that the committee consider allowing us to develop a streamlined permitting process for state projects with 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. To that end, we offer the following suggestions:

- Reframe the second paragraph of Section 1 to read:

"The purpose of this Act is to require the department of accounting and general services to establish a five-year state permit pilot project to quickly and efficiently process building and infrastructure permits for the 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 infrastructure requirements."

- Delete the entirety of Section 2 and replace it with:

“SECTION 2. (a) The department of accounting and general services shall establish a five-year state permit pilot program to process building and infrastructure permits for the construction of state-owned buildings, state roads and highways, and other construction on state lands. Subject to the requirements of this Act, the department of accounting and general services shall:

- (1) Review applications containing state building and infrastructure construction plans to ensure that the plans satisfy the state building code as required by section 107-31, Hawaii Revised Statutes, the applicable county building code, and any other applicable construction codes; and
- (2) Issue a state permit to the applicant if the application satisfies all applicable codes or deny the application if the application does not satisfy all applicable codes.

(b) A state agency may obtain a state permit from the department of accounting and general services in lieu of obtaining a county building or infrastructure permit required by any county for any type of work regarding a state building, state infrastructure, or any type of work on state land.

(c) Notwithstanding any law or ordinance to the contrary, any state agency who obtains a state permit under this Act shall not be liable for not obtaining a county building or infrastructure permit for the same work submitted in an application to the office for which the state permit was issued.

(d) The county in which the state project is located shall issue a certificate of occupancy to the State for any building for which a state permit was issued under this Act, upon:

- (1) Completion of the building for which the state permit was issued;
- (2) The building passing final inspection by a state-designated inspector; and
- (3) Formal acceptance of the building by the State.

(e) Each county in a which a state project is located shall allow projects issued a state permit under this Act to connect with any and all required infrastructure services, including but not limited to potable water, wastewater, stormwater, solid waste, and other county-provided services.

(f) The department of accounting and general services, in consultation with the state building code council, shall adopt rules pursuant to chapter 91, Hawaii Revised Statutes, necessary for this Act, including rules addressing the permit application process, required submissions, and fees.

(g) The department of accounting and general services shall submit interim reports to the legislature no later than twenty days prior to the convening of the regular sessions of 2025, 2026, 2027, and 2028 on the progress of the state permit pilot program.

(h) The department of accounting and general services shall submit a final report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2029.

(i) The state permit pilot program shall terminate on June 30, 2029.”

We humbly request that the committee consider \$1,000,000 in funding for the first fiscal year of the biennium and \$500,000 in funding for each subsequent fiscal year to support the five (5)-year pilot program efforts, which would include specialized technical research and training, software, equipment, promulgation of rules, and the provision of necessary expertise. To that end, we suggest that the first paragraph of Section 3 of the bill be deleted and replaced with:

“SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2024-2025 for the establishment and administration of the first fiscal year of the state permit pilot program.”

We pledge to keep working with each county to develop this new process and necessary statutory language, and to report 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 matter.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/06/2024
Time: 03:10 PM
Location: CR 225 & Videoconference
Committee: Senate Government
Operations

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB 0618 RELATING TO A STATE PERMITTING OFFICE.

Purpose of Bill: Establishes the State 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. Appropriates moneys.

Department's Position:

The Hawaii State Department of Education (Department) would like to provide comments to SB 0618.

The proposed bill expresses a significant need to obtain building permits in a timely manner for state-funded projects. However, it will be challenging to create a skilled and robust permit-review workforce to duplicate numerous types of technical reviews currently offered by the counties. These types of government positions are difficult to recruit for.

The proposed state permitting office cannot stand alone, it will still need to route permit applications to various other agencies such as the State Historic Preservation Division to review historical and archaeological impacts, and the utility providers for sewer connections, electrical service, water service, storm water run-off, and fire protection. The county permitting office currently provides a valuable service of routing permit applications to these various entities, as well as ensures plans prepared by contractors and design consultants meet or exceed current building codes. In lieu of duplicating or recreating the county permitting office, consideration could instead be given for the state to provide funding and/or resources to the counties to improve their existing systems.

Thank you for this opportunity to provide comments on SB 0618.

SB-618

Submitted on: 2/1/2024 5:59:05 PM

Testimony for GVO on 2/6/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Silva	Individual	Support	Written Testimony Only

Comments:

Establishes the State 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. Appropriates moneys.

LATE

Gifford Chang

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Honolulu, Hawaii 96814

Bus 808 593-9776
idealgifford@gmail.com

February 5, 2024

Dear Chair:

My name is Gifford Chang and I am submitting this written testimony in support of bill SB618.

It is my opinion that the State of Hawaii should govern its own buildings and property. Currently, all of the Counties govern its own buildings and property, as well as the public properties owned by private property owners. The back log of government in processing building permits and or use permits over the past 20 to 30 years has always been a tough matter for the counties and the State legislatures needs to step into the fray.

There are articles in the news that says, "Hawaii is the worst place to do business because of government back log and delays." Hearing the public outcry and sentiment of such back log provides no assurances for business people to want to take on the challenge of doing business. All of our educated people are leaving the islands for jobs. Why challenge the County government when business is welcomed in other states.

Running a business is a challenge itself and to add governmental risk that is incalculable should not be part of the business model. Government is supposed to provide protection of safety to its people, support business so our island flourishes and not be a hinderance in the business model.

As our legislatures, I urge you to support this bill. Create a branch of permitting so that our State is not dependent on the counties to be the regulatory branch of State land and its development. The State of Hawaii can create a good model and show the counties that change is good for the people of Hawaii.