
A BILL FOR AN ACT

RELATING TO FISCAL SUSTAINABILITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that maintaining fiscal
2 sustainability during development is critical. New development
3 proposals need to be evaluated not only against adopted
4 development regulations and construction standards, but should
5 be judged, in part, based on the long-term revenues and costs
6 incurred by public entities.

7 The legislature further finds that land use planning would
8 benefit from incorporating a methodology that evaluates existing
9 and proposed development by their expected fiscal contributions
10 and ongoing costs for services and infrastructure. Such a
11 methodology would give decision-makers and the public the
12 information needed to assess both individual project proposals
13 and regional investments. The development of such a methodology
14 requires the assistance of a steering committee and an entity
15 with the necessary fiscal modeling expertise.

16 Accordingly, the purpose of this Act is to:



1 (1) Require the office of planning and sustainable .
2 development to:
3 (A) Develop a model to assess the fiscal impacts of
4 land use development projects and regional
5 infrastructure investments; and
6 (B) Establish a fiscal sustainability steering
7 committee to advise in the development of the
8 model; and

9 (2) Appropriate funds for the development of the fiscal
10 impact model, related staffing, and to support the
11 steering committee.

12 SECTION 2. (a) The office of planning and sustainable
13 development shall develop a model to assess the fiscal impacts
14 of land use development projects and regional infrastructure
15 investments. The office may procure consultant services,
16 subject to the requirements of chapter 103D, Hawaii Revised
17 Statutes, for the development and implementation of the fiscal
18 impact model.

19 (b) The development of the fiscal impact model shall
20 include but not be limited to the following:



(1) A model, customized for each county, that allows for the assessment of fiscal costs and benefits of individual land development projects and regional investments within the same market. The model shall be capable of capturing estimated ongoing maintenance costs and future replacement costs of infrastructure serving land development projects and any annual general costs, including public safety and administrative services. The model shall allow users to input data so that:

- (A) State and county fiscal revenues and costs can be mapped by land use type;
- (B) Fiscal productivity of various development patterns in the State can be compared at the parcel level, by land use type;
- (C) The value of any new development can be measured and evaluated, and measured against proposed entitlements;
- (D) Public policy decisions can be analyzed to reduce or eliminate taxpayer subsidies; and



1 (E) Funding of capital improvements can be
2 prioritized based on their anticipated return on
3 investment;

4 (2) Training for state and county employees in the use,
5 methodology, and updating of the model, including
6 developing user-tested training material, so that upon
7 completion of the model's development, county
8 employees can successfully use and update the model;
9 and

10 (3) Ensuring that the model outputs can be easily read and
11 interpreted, with geo-referenced visual mapping, by
12 members of the public.

13 (c) The office of planning and sustainable development
14 shall establish and provide support for a steering committee to
15 advise on the development of the fiscal impact model. The
16 steering committee shall be comprised of the following members:

17 (1) The director of the office of planning and sustainable
18 development, or the director's designee, who shall
19 serve as the co-chairperson of the committee;



1 (2) The director of finance, or the director's designee,
2 who shall serve as the co-chairperson of the
3 committee;

4 (3) The director of taxation, or the department of
5 taxation's research and planning officer;

6 (4) The administrator of the research and economic
7 analysis division of the department of business,
8 economic development, and tourism, or the
9 administrator's designee;

10 (5) The budget and finance directors of each county, or
11 the county directors' respective designees; and

12 (6) The planning directors of each county, or the county
13 directors' respective designees.

14 (d) The office of planning and sustainable development
15 shall submit a report on the development of the fiscal impact
16 model to the legislature no later than twenty days prior to the
17 convening of the regular session of 2027.

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$300,000 or so much
20 thereof as may be necessary for fiscal year 2025-2026 and the
21 same sum or so much thereof as may be necessary for fiscal year



1 2026-2027 for the development of the fiscal impact model
2 pursuant to section 2 of this Act.

3 The sums appropriated shall be expended by the office of
4 planning and sustainable development for the purposes of this
5 Act.

6 SECTION 4. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$150,000 or so much
8 thereof as may be necessary for fiscal year 2025-2026 and the
9 same sum or so much thereof as may be necessary for fiscal year
10 2026-2027 to hire a temporary full-time equivalent (1.0 FTE)
11 planner (planner V equivalent), who shall be exempt from chapter
12 76, Hawaii Revised Statutes, to manage the fiscal impact model
13 development project and support the work of the steering
14 committee as required pursuant to section 2 of this Act.

15 The sums appropriated shall be expended by the office of
16 planning and sustainable development for the purposes of this
17 Act.

18 SECTION 5. This Act shall take effect on July 1, 2025.



H.B. NO. 743

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INTRODUCED BY:

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JAN 17 2025



H.B. NO. 743

Report Title:

Land Use; Fiscal Impact Model; Fiscal Sustainability;
Appropriation

Description:

Requires the Office of Planning and Sustainable Development to develop a model that assesses the fiscal impacts of land use development projects and regional infrastructure investments. Appropriates funds.

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