REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Val A. Okimoto, Chair; Scott Y. Nishimoto, Vice Chair;
Esther Kia'āina, Augie Tulba, Tommy Waters

Committee Meeting Held
August 19, 2025

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 41 (2025) entitled:

"A BILL FOR AN ORDINANCE RELATING TO PERMIT FEES,"

which passed second reading and was the subject of a public hearing at the June 4, 2025 Council meeting, reports as follows:

The purpose of the bill is to address certain obsolete or unnecessary provisions relating to permit fees.

Your Committee considered and approved a posted proposed CD1 version that makes the following amendments:

A. Amends SECTION 3 of the bill by correcting a discrepancy in the grading permit fee schedule to accurately reflect such fees charged by the Department of Planning and Permitting.

B. Adds a new SECTION 4 of the bill, which makes a conforming amendment to ROH § 32-1.6(a). Renumbers subsequent SECTIONS of the bill accordingly.

C. Amends renumbered SECTION 6 of the bill to include Ordinance 25-25 among those listed that set forth repeal dates relating to the provisions of ROH § 18-6.5 in SECTION 2 of the bill.

D. Makes various technical and nonsubstantive amendments.

ADOPTED ON SEP 3 2025

COMMITTEE REPORT NO. 262

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Val A. Okimoto, Chair; Scott Y. Nishimoto, Vice Chair;
Esther Kia'āina, Augie Tulba, Tommy Waters

At the Council's meeting held on July 9, 2025, Committee Report No. 236 and Bill 41 (2025) were recommitted back to the Committee on Budget.

Your Committee on Budget is in accord with the intent and purpose of Bill 41 (2025), as amended herein, and recommends that it pass third reading in the form attached hereto as Bill 41 (2025), CD1. (Ayes: Kia'āina, Nishimoto, Okimoto, Tulba, Waters – 5; Noes: None.)

Respectfully submitted,

Val A. Okimoto

Committee Chair

HONOLULU CITY COUNCIL
Ke Kanihela o ke Kalana o Honolulu
CITY AND COUNTY OF HONOLULU

ADOPTED ON SEP 3 2025

COMMITTEE REPORT NO. 262

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **41 (2025), CD1**

A BILL FOR AN ORDINANCE

RELATING TO PERMIT FEES.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose and findings. The purpose of this ordinance is to address certain obsolete or unnecessary provisions relating to permit fees.

The City Council finds that Ordinance 25-15, which was enacted on April 4, 2025, effectively repealed Chapter 35, Revised Ordinances of Honolulu 2021 ("ROH"). As a result of the repeal, certain provisions relating to waivers of permit fees for qualified businesses certified as such under ROH Chapter 35 are obsolete and unnecessary.

SECTION 2. Section 18-6.5, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§ 18-6.5 Exemptions.

(a) The city, all agencies thereof, and contractors therewith will be exempt from the requirement of paying plan review and permit fees.

(b) The building official may grant an exemption from the requirement of paying plan review and permit fees for any person seeking to restore or reconstruct a structure damaged or destroyed as a result of a major disaster.

For the purposes of this [~~section,~~] subsection, the following definitions apply unless the context clearly indicates or requires a different meaning.

(1) ***Major Disaster.*** Any hurricane, tornado, storm, flood, high water, tsunami, earthquake, volcanic eruption, landslide, mud slide, fire, explosion, or other catastrophe occurring in any part of the city that causes damage, suffering, and loss to such a degree that:

(A) The President of the United States has declared, pursuant to the Disaster Relief Act of 1974, P.L. 93-288, that a major disaster exists such that the city or any part thereof is eligible for federal disaster assistance programs;

(B) The governor of the State of Hawaii has declared, pursuant to HRS Chapter 209, that a major disaster has occurred;

(C) The mayor has issued a proclamation declaring the existence of a major disaster; or

(D) The council has adopted a resolution declaring the existence of a major disaster.

(2) ***Restore [~~and~~]*** or ***Reconstruct.*** Any repair or other work performed to return a structure to its former condition that does not increase the floor area of the structure beyond that of the structure prior to the major disaster, is in conformance with the building code, flood hazard regulations, land use ordinance, and other applicable laws, and is started within two years of the major disaster.

The burden of proof that work to be performed qualifies for an exemption from the payment of building permit fees due to a major disaster will be on the owner of the structure. An applicant filing for such exemption must certify in writing that the work to be performed will be in conformance with the requirements of this [~~section.~~] subsection.

(c) All owners and their contractors will be exempt from paying that portion of any building permit fee for permits issued after September 15, 1994, attributable to the installation of ultra-low flush toilets that they install on their properties to replace existing non-ultra-low flush toilets.

~~[(d) The building official shall waive the collection of any building permit fee for a period of three years where the business has been certified to be a qualified business pursuant to § 35-1.3.~~

~~(e)~~] (d) The building official shall waive the collection of any building permit fee for any person seeking to replace a dilapidated dwelling unit located on homestead land leased under the Hawaiian Homes Commission Act of 1920. For the purposes of this [~~section:~~] subsection:

(1) ***Dilapidated Dwelling Unit.*** Any residential home that has significantly deteriorated because of age, termites, or other causes[~~, which~~] that make the home unsafe, uninhabitable, or unhealthy;

(2) The burden of proof that a dwelling unit is dilapidated and qualifies for an exemption from the payment of building permit fees will be on the owner of the unit. An applicant filing for such exemption shall attach acceptable

proof that the dwelling unit is dilapidated to the building permit application; and

(3) The replacement home may increase the floor area of the originally demolished or removed structure.

[~~(f)~~] (e) The building official shall waive the collection of any plan review and building permit fees exclusively for the creation of an "accessory dwelling unit," as defined in § 21-10.1. The plan review and building permit fees that were collected for the creation of "accessory dwelling units" after September 14, 2015, will be reimbursed if requested by the permittee. Building permit fees and plan review fees will not be waived where a permit was required and work started or proceeded without obtaining a permit. In these cases, fees will be required pursuant to § 18-6.2(d).

[~~(g)~~] (f) The building official shall waive the collection of the plan review and building permit fees for the residential portion of a project equal to:

(1) The percentage of affordable dwelling units as defined in and as provided within the project pursuant to Chapter 29; or

(2) The percentage of affordable dwelling units provided pursuant to a planned development-transit permit pursuant to § 21-9.100-10, or an interim planned development-transit permit pursuant to § 21-9.100-5.

[~~(h)~~] (g) The building official shall waive the collection of the plan review and building permit fees for the residential portion of a project that is in compliance with HRS § 201H-36(a)(5).

[~~(i)~~] (h) The building official shall waive the collection of the plan review and building permit fees for the portion of an affordable rental housing project equal to the percentage of affordable rental housing units that:

(1) Are rented to households earning 100 percent and below of the AMI; and

(2) For a period of at least 15 years after a certificate of occupancy is issued for the affordable rental housing project, the affordable units are rented at or below the rental rate limits established by the United States Department

of Housing and Urban Development for households earning 100 percent of the AMI for the applicable household size;

pursuant to Chapter 32.

[~~(j)~~] (i) The building official shall waive the collection of that portion of any plan review and building permit fee attributable to the installation of automatic fire sprinkler systems for the suppression of fire in existing high-rise residential buildings. For the purposes of this [~~section,~~] subsection, "existing high-rise residential building" means any building that has floors used for human occupancy located more than 75 feet above the highest grade, contains dwelling units, and was erected prior to 1993."

SECTION 3. Section 18A-2.4, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§ 18A-2.4 Permit fees.

(a) Before issuance of a grading permit, a permit fee for grading on the same site based on the volume of excavation or fill measured in place, whichever is greater, will be collected according to the following schedule:

Volume of Material	***Permit Fee***
1,000 cubic yards or less	$505 plus $55 for each 100 cubic yards or fraction thereof
More than 1,000 to less than 10,000 cubic yards	$1,000 for the first 1,000 cubic yards plus $55 for each additional 1,000 cubic yards or fraction thereof
10,000 cubic yards or more	[~~$1,480~~] $1,495 for the first 10,000 cubic yards plus $35 for each additional 1,000 cubic yards or fraction thereof

The fee for a permit authorizing work additional to that under a valid permit will equal the difference between the fee paid for the original permit and the fee computed for the entire project.

(b) Before issuance of a grubbing permit, a permit fee of $110 for grubbing areas up to 15,000 square feet plus $15 for each additional 1,000 square feet or fraction thereof will be collected.

(c) Before issuance of a stockpiling permit, a permit fee of $55 for stockpiling in excess of the first 100 cubic yards plus $15 for each additional 1,000 cubic yards or fraction thereof will be collected.

(d) When grading, grubbing, or stockpiling is performed by or on behalf of the city, State, or federal government, the chief engineer shall waive the collection of any permit fee required in subsections (a), (b), and (c).

~~[(e) When a business is certified as a qualified business pursuant to § 35-1.3, the chief engineer shall waive the collection of any permit fee required in subsections (a), (b), and (c) for the qualified business for a period of three years.~~

~~(f)~~] (e) All permit fees are to be deposited into the highway fund.

[~~(g)~~)] (f) When grading, grubbing, or stockpiling permits are processed in conjunction with a building permit for the creation of an [~~"accessory dwelling unit",~~] "accessory dwelling unit," as defined in § 21-10.1, the chief engineer shall waive the collection of the permit fees required in subsections (a), (b), and (c). The grading, grubbing, and stockpiling permit fees that were collected for the creation of "accessory dwelling units" from the effective date of Ordinance 15-41 (September 14, 2015), will be reimbursed if requested by the permittee."

SECTION 4. Section 32-1.6, Revised Ordinances of Honolulu 2021 ("Violation—Penalty"), is amended by amending subsection (a) to read as follows:

"(a) If the director of planning and permitting determines that the use of the affordable rental housing project is abandoned; or that an owner, or the heir, successor, or assign of the owner is violating Article 2, the violator will be subject to the administrative enforcement provisions of § 21-2.150-2; provided that in addition to the civil fines specified in [~~§§~~] § 21-2.150-2(e)(2)(C) and 21-2.150-2(e)(2)(D), the violator will be subject to penalties equal to the following amounts:

(1) The differences in the amount of taxes that were paid and those that would have been due but for the exemption for affordable rental housing units pursuant to § 8-10.33(b)(4)[~~;~~] and 8-10.33(d);

(2) The differences in the amount of taxes that were paid and those that would have been due but for the exemption for qualifying construction work pursuant to § 8-10.34(a)(2)[~~,~~] and 8-10.34(b)(4);

(3) The amount of wastewater system facility charges waived for affordable rental housing units pursuant to § 43-10.8(a)(4);

(4) The amount of plan review and building permit fees waived for the affordable rental housing units pursuant to [~~§ 18-6.5(i);~~] § 18-6.5(h); and

(5) The value of the park dedication requirements waived for the affordable rental housing units pursuant to § 22-7.3(j)(4);

together with a penalty in the form of interest at 10 percent per annum on the amounts imposed under subdivisions (1), (2), (3), (4), and (5), from the dates that the respective payments would have been due[~~,~~] but for the exemption or waiver."

SECTION 5. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

A BILL FOR AN ORDINANCE

SECTION 6. This ordinance takes effect upon its approval; provided that: (1) this ordinance does not affect the repeal dates set forth in Ordinances 16-19, 17-30, 18-1, 19-8, 20-20, 23-12, 25-12, and 25-25; and (2) any permit fee waivers granted under Sections 18-6.5 and 18A-2.4, Revised Ordinances of Honolulu 2021, will continue to be valid and remain in effect until the expiration of the permit fee waivers.

INTRODUCED BY:

Tyler Dos Santos-Tam

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DATE OF INTRODUCTION: _____

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April 21, 2025 _____
Honolulu, Hawai'i Councilmembers

APPROVED AS TO FORM AND LEGALITY:

_____
Deputy Corporation Counsel

APPROVED this _____day of _____, 20 ____.

_____
RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Permit Fees; Waivers; Businesses; Repeal

Description:
Repeals certain outdated, obsolete, or unnecessary provisions relating to waivers of permit fees for businesses that create new jobs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.