

STAND. COM. REP. NO. **345**-24

Honolulu, Hawaii

**FEB 14** , 2024

RE: H.B. No. 2091  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2091 entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL IMPACT FEES,"

begs leave to report as follows:

The purpose of this measure is to repeal school impact fees and transfer unencumbered balances to the School Facilities Special Fund.

Your Committee received testimony in support of this measure from the School Facilities Authority; Hawaii Public Housing Authority; Office of Housing of the City and County of Honolulu; EAH Housing; Grassroot Institute of Hawaii; Centre Urban Real Estate; NAIOP; and Housing Hawai'i's Future. Your Committee received testimony in opposition to this measure from three individuals. Your Committee received comments on this measure from the Department of Education and Tax Foundation of Hawaii.

Your Committee finds that school impact fees were established by Act 245, Session Laws of Hawaii 2007, to address the impact of new residential developments on the surrounding community and the potential increase of students in that community. Your Committee notes that between 2007 and 2018, the Department of Education collected slightly more than \$5,300,000, far under the \$80,000,000 or more needed to build even one new school. Rather than being

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used to help support impacted schools, school impact fees have only added additional costs to housing developments, which in some cases resulted in a project becoming financially untenable. Your Committee believes that the State must reduce the cost of housing to address the housing crisis and develop more affordable housing for Hawaii's residents. Your Committee acknowledges the importance of supporting schools in the State through school impact fees, but your Committee also believes this should not be at the expense of increasing the cost of housing development.

Accordingly, your Committee has amended this measure by:

- (1) Reinstating school impact fees;
- (2) Expanding the exemptions from the school impact fee to include the development of certain housing developments with income restrictions and additional or accessory dwelling units;
- (3) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 H.B. No. 2091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2091, H.D. 1, and be referred to your Committee on Finance.

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



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LUKE A. EVSLIN, Chair



