

Honolulu, Hawaii

**MAR 21 2025**RE: H.B. No. 422  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B.  
No. 422, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal school impact fees; and
- (2) Abolish and transfer unencumbered balances of the school impact fee subaccounts and certain fair share contribution accounts to the School Facilities Special Fund.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands; Hawaii Public Housing Authority; Office of Housing of the City and County of Honolulu; EAH Housing; Affordable Housing Connections LLC; Grassroot Institute of Hawaii; Hawai'i YIMBY; Hawaii Appleseed Center for Law and Economic Justice; Nan, Inc.; Libertarian Party of Hawaii; and six individuals.

Your Committee received testimony in opposition to this measure from the Department of Education and two individuals.



Your Committee received comments on this measure from the School Facilities Authority and Tax Foundation of Hawaii.

Your Committee finds that Act 245, Session Laws of Hawaii 2007, authorized the Board of Education to approve school impact districts, in which impact fees may be collected. Presently, the Board of Education has approved four school impact districts to align with concurrent housing development on Oahu and Maui. While school impact fees were implemented to support public education in areas across the State with new housing developments, school impact fees can add to the already high cost of planning and construction. Additionally, school impact fees can result in a project becoming financially untenable. As the State continues to address its chronic housing shortage, this measure alleviates some of the costs associated with development in school impact districts to ensure housing units remain affordable for local working individuals and families.

Your Committee notes concerns raised regarding the construction of new school facilities in the Ewa Beach community. Since September 2013, developers in Leeward Oahu, including Ewa Beach, have been subject to a school impact fee when applying for building permits for any new residential construction. The communities of Hoopili and Ocean Pointe have experienced rapid growth due to growing residential development. However, the population growth in Ewa Beach communities has led to overcrowding in local area schools, necessitating the need for the planning and construction of new school facilities. Your Committee further notes that if school impact fees are repealed, ensuring the availability of land and requisite infrastructure is imperative to address future Department of Education school sites that will not have support from school impact fees.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 H.B. No. 422, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 422, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

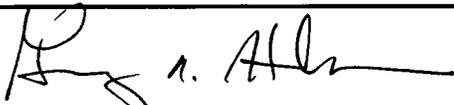
Respectfully submitted on  
behalf of the members of the  
Committee on Housing,

  
STANLEY CHANG, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 422, HD1	HOU, WAM	3-18-25		
<input type="checkbox"/> 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 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.	✓			
KANUHA, Dru Mamo				✓
FEVELLA, Kurt		✓		
<b>TOTAL</b>	3	1 <del>WR</del>		1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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