Honolulu, Hawaii

FOB 17

, 2006

RE:

S.B. No. 2708

S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committees on Education and Military Affairs and Commerce, Consumer Protection, and Housing, to which was referred S.B. No. 2708 entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES,"

beg leave to report as follows:

The purpose of this measure is to enact a school impact fees law to require residential developments to pay school impact fees.

Your Committees received testimony in support of this measure from the Department of Education. Testimony in opposition was received from the Department of Budget and Finance. Comments were received from the Department of Business, Economic Development, and Tourism and the Land Use Foundation of Hawaii.

Your Committees find that new residential developments should pay school impact fees proportionate to their impacts, for the following reasons:

- (1) New residential developments create additional demand for public school facilities;
- (2) New residential developments should pay a school impact fee proportionate to their impact on the need to construct additional facilities; and
- (3) A study commissioned by the Department of Education and the Department of Accounting and General Services has



identified the net capital cost of school facilities, excluding land costs, that is consistent with proportionate fair share principles.

Your Committees are mindful of the comments received in testimony to the effect that this measure may be premature. However, your Committees intend to continue the discussions on this measure in recognition of the importance of creating a school impact fees law. New communities understandably place a burden on resources to provide amenities such as schools. Impact fees should lessen that burden on the State. Your Committees believe that a mandatory school impact fee on developers, while increasing the costs of development, would make a development more attractive to homeowners, as residential developments often attract families with school age children.

Your Committees have amended this measure by changing the effective date to July 1, 2050 to continue the discussions.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2708, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2708, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Education and Military Affairs and Commerce, Consumer Protection, and Housing,

RON MENOR. Chair

NORMAN SAKAMOTO. Chair

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Education and Military Affairs (Bills and Resolutions)

Measure:*	Committee Referral:	Date:	Date:			
58 2708	EDM/CPH, W	Arg 21	13/06			
The committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is to:						
Pass, unamended (2312)	Pass, with amendments Hold Recommit (2311) (2310) (2313)					
Members	Ayes	Ayes(WR)	Nays Excused			
SAKAMOTO, Norman (C)	$\mathcal{V}$					
HOOSER, Gary L. (VC)	V					
CHUN OAKLAND, Suzanne						
NISHIHARA, Clarence K.			:			
TSUTSUI, Shan S.						
HOGUE, Bob	AA		·			
	1,1					
TOTAL	5	1				
Recommendation:	/					
L	Adopted	Not	Adopted			
Chair's or Designee's Signature:						
V WZ	L, Ha					
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy						

<sup>\*</sup>Do <u>not</u> list more than one measure per Record of Votes.

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

Measure:* Committee Referral: Date:  SB 2708 EDM (CPH, WAM 2/13/06						
The committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is to:						
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)						
Members	Ayes	Ayes(WR)	Nays	Excused		
MENOR, Ron (C)			m			
BAKER, Rosalyn H. (VC)						
ESPERO, Will C.						
IGE, David Y.		11.				
SAKAMOTO, Norman	/					
HOGUE, Bob	N AR					
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TOTAL	3		1	2_		
Recommendation:  Adopted  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						

<sup>\*</sup>Do <u>not</u> list more than one measure per Record of Votes.