
A BILL FOR AN ACT

RELATING TO URBAN SCHOOL IMPACT DISTRICTS.

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

1 SECTION 1. Section 302A-1608, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§302A-1608 Accounting and expenditure requirements. (a)

4 Each designated school impact district shall be a separate
5 benefit district. Fees collected within each school impact
6 district shall be spent only within the same school impact
7 district for the purposes collected.

8 (b) Land dedicated by the developer shall be used only as
9 a site for the construction of one or more new schools or for
10 the expansion of existing school facilities. If the land is
11 never used for the school facility, it shall be returned to the
12 developer, or the developer's successor in interest. Once used,
13 the land may be sold, with the proceeds used to acquire land for
14 school facilities in the same school impact district.

15 (c) If the land is not used for a school facility within
16 twenty years of its dedication, it shall be returned to the
17 developer, or the developer's successor in interest.



1 (d) Once used for school facilities, all or part of the
2 land may be later sold. Proceeds from the sale shall be used to
3 acquire land for school facilities in the same school impact
4 district.

5 (e) Fee in lieu funds may be used for school site land
6 acquisition and related expenses, including surveying,
7 appraisals, and legal fees. [~~Fee~~] With the exception of urban
8 Honolulu, fee in lieu funds shall not be used for the
9 maintenance or operation of existing schools in the district [~~7~~];
10 construction costs, including architectural, permitting, or
11 financing costs [~~7~~]; or for administrative expenses.

12 (f) Notwithstanding subsection (e), in urban Honolulu, fee
13 in lieu funds may be used to purchase completed construction,
14 construct new school facilities, improve or renovate existing
15 structures for school use, or lease land or facilities for
16 school use.

17 [~~(f)~~] (g) Construction cost component impact fees shall be
18 used only for the costs of new school facilities that [~~expands~~]
19 expand the student capacity of existing schools or adds student
20 capacity in new schools. Construction cost component impact
21 fees may not be used to replace an existing school located



1 within the same school impact district, either on the same site
2 or on a different site.

3 ~~(g)~~ (h) Eligible construction costs include planning,
4 engineering, architectural, permitting, financing, and
5 administrative expenses, and any other capital equipment
6 expenses pertaining to educational facilities.

7 ~~(h)~~ (i) Construction cost component impact fees shall
8 not be expended for:

9 (1) The maintenance or operation of existing schools in
10 the district; or

11 (2) Portable or temporary facilities.

12 ~~(i)~~ (j) If a closure, demolition, or conversion of an
13 existing permanent department facility within a school impact
14 district that has the effect of reducing student capacity
15 occurs, an amount of new student capacity in permanent buildings
16 equivalent to the lost capacity shall not be funded with school
17 impact fees.

18 ~~(j)~~ (k) Fees in lieu, proceeds from the sale of all or
19 part of an existing school site that has been dedicated by a
20 developer pursuant to the requirements of this subpart, and
21 construction cost component impact fees shall be expended or



1 encumbered within twenty years of the date of collection. Fees
2 shall be considered spent or encumbered on a first-in, first-out
3 basis. An expenditure plan for all collected impact fees shall
4 be incorporated into the annual budget process of the department
5 and subject to legislative approval of the budget.

6 (1) As used in this section, "urban Honolulu" means the
7 Kalihi to Ala Moana school impact district."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Urban School Impact District; Fee in Lieu Funds

Description:

Allows fee in lieu funds in the Kalihi to Ala Moana school impact district to be used to purchase completed construction, construct new school facilities, improve or renovate existing structures for school use, or lease land or facilities for school use. (HB2538 HD1)

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