

STAND. COM. REP. NO. **2807**

Honolulu, Hawaii

MAR 04 2016

RE: S.B. No. 2731
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2731 entitled:

"A BILL FOR AN ACT RELATING TO SCHOOLS,"

begs leave to report as follows:

The purpose and intent of this measure as received by your Committee is to establish and appropriate funds for operating expenses of a school impact fee review task force that is to review the law regarding school impact fees and recommend any necessary amendments to the law.

Before the public hearing on the measure, a Proposed Senate Draft 1 (Proposed Draft) of the measure was circulated for public review and comment.

The purpose and intent of the Proposed Draft is to add a new part to the measure that clarifies that housing projects developed pursuant to chapter 201H, Hawaii Revised Statutes, are not exempt from the school impact fee requirement, even though they are otherwise exempt from certain laws relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon.

Your Committee received written comments and testimony for both the measure as received and the Proposed Draft.



For the measure as received, your Committee received testimony in support from BIA-Hawaii, The Chamber of Commerce Hawaii, and one individual. Your Committee received testimony in opposition from one individual.

For the Proposed Draft, your Committee received comments from the Department of Education and the Hawaii Housing Finance and Development Corporation.

Your Committee finds that Act 245, Session Laws of Hawaii 2007, established the law regarding school impact fees, and implemented a new method for financing, in part, new or expanding educational facilities. Land use planning, development patterns, and preferences have changed significantly since 2007. Act 188, Session Laws of Hawaii 2010, helped to clarify the school impact fee law, but further substantive amendments may be necessary. Your Committee therefore believes that the establishment of a task force to review the school impact fee law is likely to help keep the law aligned with changes in the demand for new and expanded educational facilities. It should be further noted that this task force and its recommendations are merely meant to advise the Legislature on possible changes to the law, and in no way should it be interpreted as affecting current projects.

Your Committee also finds that new affordable housing generates additional students within a school district in the same way that all other new housing development drives up school enrollment. School impact fees are a direct link between new housing units and the new or expanded school facilities required to address the enrollment growth caused by the new units. Your Committee finds it necessary for the law to clarify that developers of certain projects are subject to school impact fees, even when the Hawaii Housing Finance and Development Corporation or a corresponding county agency participates in the development of the projects.

After careful consideration of both the measure as received by your Committee and the Proposed Draft, your Committee has amended the measure by adopting the Proposed Draft and further amending it by:

- (1) Requiring the school impact fee review task force to review and recommend appropriate measures to enforce compliance with the school impact fee requirement;



- (2) Deleting the amendment to section 201H-38(a), Hawaii Revised Statutes, to provide that projects developed under chapter 201H shall be subject to the school impact fee; and
- (3) Amending section 302A-1603(a), Hawaii Revised Statutes, to clarify that if a new residential development within a designated school impact district requires a county subdivision approval, a county building permit, or a condominium property regime approval, the developer is also required to fulfill certain impact fee requirements of the Department of Education, even if the project is processed pursuant to section 201H-38, Hawaii Revised Statutes, or section 46-15, Hawaii Revised Statutes, with the involvement of the Hawaii Housing Finance and Development Corporation or a corresponding county agency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2731, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2731, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

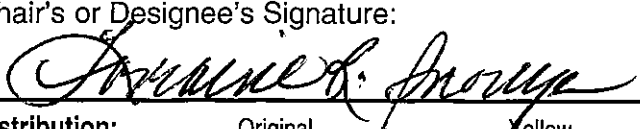


JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2731	EDU, WAM	2/26/2016
<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	
TOKUDA, Jill N. (C)	✓	
DELA CRUZ, Donovan M. (VC)		✓
CHUN OAKLAND, Suzanne	✓	
ENGLISH, J. Kalani	✓	
GALUTERIA, Brickwood		✓
HARIMOTO, Breene	✓	
INOUE, Lorraine R.	✓	
RIVIERE, Gil	✓	
TANIGUCHI, Brian T.	✓	
WAKAI, Glenn	✓	
SLOM, Sam	✓	
TOTAL	9	2
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