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# A BILL FOR AN ACT

RELATING TO SCHOOL IMPACT FEES.

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

1           SECTION 1. The legislature finds that as communities  
2 expand and develop, school impact fees are assessed to offset  
3 the impact of new homes and families on local schools. While  
4 these assessments are in place to accommodate the increase in  
5 new families and school enrollments that often accompany  
6 development, the fees can be detrimental to certain types of  
7 community projects, which is partly why exemptions exist for  
8 commercial projects, industrial projects, senior housing  
9 projects, replacement homes, and projects to enlarge existing  
10 homes. However, there is no exemption from school impact fees  
11 for the efforts of nonprofit organizations, county governments,  
12 and the Hawaii housing finance and development corporation that  
13 provide housing to low- and moderate-income individuals.  
14 Allowing these types of projects to be exempt from school impact  
15 fees may encourage developers to provide more low- and moderate-  
16 income housing and increase the overall affordable housing  
17 supply for Hawaii residents.



1           The purpose of this Act is to provide an exemption from  
2 school impact fees for housing developments constructed by:

3           (1) Nonprofit housing organizations in which the units are  
4           rented or sold to persons or families earning up to  
5           one hundred twenty per cent of the area median income;  
6           and

7           (2) The counties and the Hawaii housing finance and  
8           development corporation for low- and moderate-income  
9           individuals.

10           SECTION 2. Section 302A-1603, Hawaii Revised Statutes, is  
11 amended to read as follows:

12           "**§302A-1603 Applicability and exemptions.** (a) Except as  
13 provided in subsection (b), any person who seeks to develop a  
14 new residential development within a designated school impact  
15 district requiring:

16           (1) A county subdivision approval;

17           (2) A county building permit; or

18           (3) A condominium property regime approval for the  
19           project,

20 shall be required to fulfill the land component impact fee or  
21 fee in lieu requirement and construction cost component impact



1 fee requirement of the department [~~including all government~~  
2 ~~housing projects and projects processed pursuant to sections 46-~~  
3 ~~15.1 and 201H 38~~].

4 (b) The following shall be exempt from this section:

- 5 (1) Any form of housing permanently excluding school-aged  
6 children, with the necessary covenants or declarations  
7 of restrictions recorded on the property;
- 8 (2) Any form of housing that is or will be paying the  
9 transient accommodations tax under chapter 237D;
- 10 (3) All nonresidential development; [~~and~~]
- 11 (4) Any development with an executed education  
12 contribution agreement or other like document with the  
13 department for the contribution of school sites or  
14 payment of fees for school land or school  
15 construction[-]; and
- 16 (5) Any housing development constructed by a housing  
17 organization in which the units are leased or sold to  
18 persons or families with incomes up to one hundred  
19 twenty per cent of the area median income as  
20 determined by the United States Department of Housing  
21 and Urban Development, and all government housing



1                   projects and projects processed pursuant to sections  
2                   46-15.1 and 201H-38."

3           SECTION 3. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5           SECTION 4. This Act shall take effect upon a date to be  
6 determined.



**Report Title:**

School Impact Fees; Exemption; Housing Developments; Nonprofits;  
County Government; HHFDC

**Description:**

Deletes school impact fee requirements for county and Hawaii Housing Finance and Development Corporation housing projects for low- and moderate-income individuals. Provides an exemption from school impact fees for housing developments constructed by nonprofit housing organizations in which the units are rented or sold to persons or families earning up to one hundred twenty per cent of the area median income. (HB656 HD1)

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