Honolulu, Hawaii

FEB 0 4 2019

RE: S.B. No. 586

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committees on Education and Housing, to which was referred S.B. No. 586 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to repeal the school impact fee exemptions for nonresidential development and housing subject to the transient accommodations tax when seeking development in a designated school impact district requiring county subdivision approval, a county building permit, or condominium property regime approval of the project.

Your Committees received testimony in support of this measure from the one member of the Maui County Council, Hawaii State Teachers Association, Democratic Party of Hawaiii Education Caucus, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Americans for Democratic Action Hawaii, and two individuals. Your Committees received testimony in opposition to this measure from the Building Industry Association of Hawaii; JW, Inc.; Chamber of Commerce Hawaii; and NAIOP Hawaii. Your Committees received comments on this measure from the Department of Education and Tax Foundation of Hawaii.

Your Committees find that the collection of school impact fees are necessary in areas of high growth to accommodate the increase in new families and school enrollments. Traditionally, certain types of development were exempt from school impact fees. However, nonresidential development and housing subject to transient accommodations tax within these emerging communities are found to impact the pace and scale of residential development, increasing the need for more public schools. This measure ensures that as communities grow through residential and other types of development, the need for schools to be built and operate will be met.

As affirmed by the records of votes of the members of your Committees on Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 586 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Education and Housing,

STANLEY CHANG, Chair

MICHELLE N KIDANI Chair

The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Education EDU

Bill / Resolution No.:*	Committee Referral:			Date:						
5B586	EDU/HOU, WAM			01/29/19						
The Committee is reconsidering its previous decision on this measure.										
If so, then the previous decision was to:										
The Recommendation is:										
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313										
Members		Aye	Aye (W	R)	Nay	Excused				
KIDANI, Michelle N. (C)										
KIM, Donna Mercado (VC)		V								
DELA CRUZ, Donovan M.										
KANUHA, Dru Mamo		//								
FEVELLA, Kurt		V								
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TOTAL		5								
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										

*Only one measure per Record of Votes

The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Housing HOU

Bill / Resolution No.:* 5B 586	Committee Referral: Date: U29 2019								
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
CHANG, Stanley (C)									
KANUHA, Dru Mamo (VC)									
MORIWAKI, Sharon Y.		V/							
THIELEN, Laura H.		V /							
FEVELLA, Kurt									
									
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TOTAL		5	0	\bigcirc	O				
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									