
A BILL FOR AN ACT

RELATING TO SCHOOL IMPACT FEES.

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

1 PART I

2 SECTION 1. Section 302A-1603, Hawaii Revised Statutes, is
3 amended by amending subsection (b) to read as follows:

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)]~~ (2) 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."



1 PART II

2 SECTION 2. The legislature finds that the department of
3 education requires statutory flexibility to effectively manage
4 and expend school impact fees. The purpose of this part is to
5 provide that flexibility.

6 SECTION 3. Section 302A-1608, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By amending subsection (h) to read:

9 "[+] (h) [+] Construction cost component impact fees shall
10 be used only [~~for~~]:

11 (1) For the costs of new school facilities that expand the
12 student capacity of existing schools or adds student
13 capacity in new schools[-]; or

14 (2) To improve or renovate existing structures for school
15 use.

16 Construction cost component impact fees [~~may~~] shall not be used
17 to replace an existing school located within the same school
18 impact district, either on the same site or on a different
19 site."

20 2. By amending subsection (l) to read:



1 "[+](1)[+] Fees in lieu, proceeds from the sale of all or
2 part of an existing school site that has been dedicated by a
3 developer pursuant to the requirements of this subpart, and
4 construction cost component impact fees shall be expended or
5 encumbered within twenty years of the date of collection. Fees
6 shall be considered spent or encumbered on a first-in, first-out
7 basis. [~~An expenditure plan for all collected impact fees shall
8 be incorporated into the annual budget process of the department
9 and subject to legislative approval of the budget.~~]"

10 SECTION 4. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

DOE; School Impact Fees; Exemptions; Renovation; Budget Process

Description:

Repeals 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, county building permit, or condominium property regime approval of the project. Allows Construction cost component impact fees to be used to improve or renovate existing structures for school use. Repeals the requirement that an expenditure plan for all collected impact fees be incorporated into the department of education's annual budget process. Effective 7/1/2050. (SD1)

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