

STAND. COM. REP. NO.

1238

Honolulu, Hawaii

, 2023

MAR 16

RE: S.B. No. 832
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred S.B. No. 832, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the School Facilities Authority to:
 - (A) Acquire real property from a county;
 - (B) Adopt administrative rules that supersede all other inconsistent ordinances and rules relating to the zoning of land and construction;
 - (C) Engage in commercial enterprise activities; and
 - (D) Contract to manage the leasing and property management of housing projects;
- (2) Exempt the School Facilities Authority from county assessments and state taxes;



- (3) Authorize state and county agencies to render services to the School Facilities Authority upon request of the Authority; and
- (4) Establish a deadline for the transfer of properties from the City and County of Honolulu to the Department of Education pursuant to Act 206, Session Laws of Hawaii 2017, as amended by Act 272, Session Laws of Hawaii 2019.

Your Committee received testimony in support of this measure from the School Facilities Authority and one individual. Your Committee received comments on this measure from the Department of Budget and Finance and City and County of Honolulu Department of Land Management.

Your Committee finds that the School Facilities Authority is charged with redeveloping the State's public schools into twenty-first century institutions. This measure affords the Authority additional resources and flexibility to accomplish its duties.

Your Committee notes the concerns raised by the Department of Budget and Finance in its written testimony regarding commercial activity, as a majority of school facilities were funded through tax-exempt general obligation bonds, which contain Internal Revenue Code restrictions on the private activity uses of these school facilities. Your Committee requests your Committee on Finance, should it deliberate on this measure, to consider removing the authorization for the School Facilities Authority to engage in commercial enterprise activities.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 832, S.D. 2, as amended herein, and recommends that it pass Second



Reading in the form attached hereto as S.B. No. 832, S.D. 2, H.D. 1, and be referred to your Committee on Education.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,


LINDA ICHIYAMA, Chair



