

Honolulu, Hawaii

MAR 16 , 2023

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;



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- (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 twentyfirst 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



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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, Cha



State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: 58831, SD2	Committee WAL	Referral: EDN, FIN	Date:	03/14	1/23	
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)						
WAL Members		Ayes	Ayes (WR)	Nays	Excused	
1. ICHIYAMA, Linda (C)		\sim				
2. POEPOE, Mahina (VC)						
3. CHUN, Cory M.					i War j	
S. CHUN, Cory M.	. 131		i a grige a company			
4. GANADEN, Sonny						
					7	
5. HASHEM, Mark J.					\checkmark	
6. MORIKAWA, Dee						
7 TAKANA Cross						
7. TAKAYAMA, Gregg				- 19.23 800		
8. SOUZA, Kanani						
			:			
TOTAL (8)	7			1	
The recommendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White)	Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					