
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 Hawaii faces a
2 severe housing shortage and that reducing regulatory barriers
3 and development costs is essential to increasing the supply of
4 homes. Impact fees imposed on smaller residential projects can
5 add substantial costs to housing and may discourage the
6 development of infill units needed within existing communities.

7 The legislature further finds that the school impact fee
8 program, established in subpart B of part VI of chapter 302A,
9 Hawaii Revised Statutes, was designed to ensure that new
10 developments contribute their fair share toward school
11 facilities needed to support enrollment growth. While the
12 program may be appropriate for large master-planned communities
13 that create significant, concentrated increases in enrollment,
14 applying the same fee structure to smaller projects places a
15 disproportionate burden on developments that have minimal impact
16 on school capacity.



1 The legislature also finds that residential developments of
2 fewer than one hundred units typically generate a small number
3 of students who can be accommodated within existing school
4 facilities or through minor adjustments that do not require new
5 school construction. Applying substantial impact fees to these
6 smaller projects increases housing costs without producing a
7 corresponding benefit to public school infrastructure.

8 The purpose of this Act is to encourage housing production
9 and ensure that school impact fees are applied equitably by
10 exempting new residential developments of fewer than one hundred
11 units from the school impact fee requirements.

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

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

15 (1) Any form of housing permanently excluding school-aged
16 children, with the necessary covenants or declarations
17 of restrictions recorded on the property;

18 (2) Any form of housing that is or will be paying the
19 transient accommodations tax under chapter 237D;

20 (3) All nonresidential development;



- 1 (4) Any development with an executed education
2 contribution agreement or other like document with the
3 agency for the contribution of school sites or payment
4 of fees for school land or school construction;
- 5 (5) Any housing project developed by the government;
- 6 (6) Any [~~housing project~~] dwelling units in a housing
7 project processed pursuant to sections 46-15.1 and
8 201H-38[+] that are reserved for low- or moderate-
9 income households;
- 10 (7) Any [~~housing~~] dwelling units in a housing project that
11 ~~[meets]~~ meet the definition of affordable housing in
12 sections 46-15.25 or 201H-57[+] and are reserved for
13 households meeting the income requirements of those
14 sections;
- 15 (8) Any housing that is a single-room dwelling;
- 16 (9) Any form of housing developed by the department of
17 Hawaiian home lands for use by beneficiaries of the
18 Hawaiian Homes Commission Act, 1920, as amended; and
- 19 (10) Any form of development by the Hawaii community
20 development authority pursuant to part XII of chapter
21 206E; [~~and~~



1 ~~+~~ (11) ~~+~~ Any form of development by the Hawaii housing finance
2 and development corporation pursuant to part V of
3 chapter 201H~~[-]~~; and

4 (12) Any housing project consisting of fewer than one
5 hundred dwelling units; provided that subdivisions or
6 phases of a development or master plan shall be
7 considered parts of the same housing project; provided
8 further that no developer shall artificially subdivide
9 a project or phase the development of a project to
10 avoid the requirements of this subpart."

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

13 SECTION 4. This Act shall take effect upon its approval;
14 provided that:

15 (1) Notwithstanding any provision of this Act to the
16 contrary, any existing educational contribution
17 agreement or agreement that has been executed with the
18 department of education or the school facilities
19 authority pursuant to subpart B of part VI of chapter
20 302A, Hawaii Revised Statutes, prior to the effective
21 date of this Act shall remain effective unless the



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1 parties to the agreement mutually agree to terminate
2 or renegotiate the agreement; and
3 (2) This Act shall be repealed on July 1, 2029, and
4 section 302A-1603, Hawaii Revised Statutes, shall be
5 reenacted in the form in which it read prior to the
6 effective date of Act 268, Session Laws of Hawaii
7 2025.
8

INTRODUCED BY:



JAN 20 2026



H.B. NO. 1713

Report Title:

School Impact Fees; Residential Development; Housing; Exemption

Description:

Clarifies the application of exemptions for certain affordable housing projects, including exempting new residential developments of fewer than one hundred dwelling units, from school impact fee requirements. Repeals 7/1/2029.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

