

Honolulu, Hawaii

APR 10 2026

RE: H.B. No. 1713
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1713, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to address rising housing development costs in school impact zones, which are passed through to renters and homebuyers.

More specifically, this measure:

- (1) Prohibits the Land Use Commission from imposing exactions from a residential development for educational purposes;
- (2) Repeals school impact fees;
- (3) Repeals a requirement that the School Facilities Authority submit a report to the Legislature;
- (4) Abolishes school impact fee subaccounts within the school facilities special fund and transfers unencumbered balances to the school facilities special fund, and establishes certain conditions with regard to the transferred funds;



- (5) Abolishes the fair share contribution and impact fee accounts within the Department of Education donations-facilities trust and transfers unencumbered balances to the school facilities special fund;
- (6) Provides that any existing educational contribution agreements executed with the Department of Education or School Facilities Authority before the repeal of school impact fees shall remain in effect unless mutually terminated;
- (7) Transfers existing educational contribution agreements from the Department of Education to the School Facilities Authority; and
- (8) Appropriates funds out of the school facilities special fund for priority education facilities projects, including the expansion of pre-kindergarten facilities.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, School Facilities Authority, Avalon Development Company, Grassroot Institute of Hawaii, Land Use Research Foundation of Hawaii, Maui Chamber of Commerce, and NAIOP Hawaii.

Your Committee received written comments on this measure from the Department of Education, Department of Hawaiian Home Lands, and Tax Foundation of Hawaii.

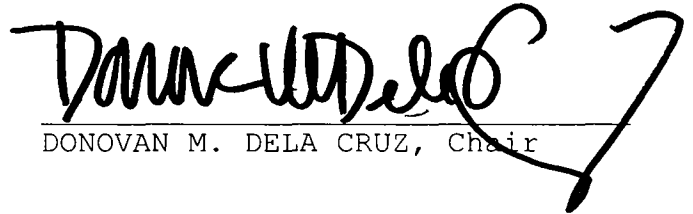
Your Committee finds that school impact fees were implemented under Act 245, Session Laws of Hawaii 2007, to support public education needs in areas of the State impacted by new housing developments. Your Committee also finds that, because the school impact fees imposed on developers are passed on to homebuyers, the program has proven to be a burden on aspiring homeowners and renters, and the collection of these fees does not provide a clear benefit to the community.

Your Committee notes the concerns raised by the Department of Education in their testimony that this measure, if enacted, would significantly weaken the State's ability to ensure that school facilities and school sites keep pace with residential growth.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, H.D. 1, S.D. 1, and recommends that it pass Third Reading.


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1713, HD1, SD1	HOU/EDU, WAM	4/9/2026		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes