

Honolulu, Hawaii

FEB 19 , 2026

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

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 1713 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify 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.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawai'i School Facilities Authority; Housing Hawai'i's Future; and Grassroot Institute of Hawaii. Your Committee received comments on this measure from the Department of the Attorney General and Tax Foundation of Hawaii.

Your Committee finds that applying school impact fees to small residential projects can significantly increase development costs without producing a meaningful benefit to school facility planning. Your Committee further finds that rather than being used to help support schools, school impact fees have only added costs to housing developments, which in some cases have resulted in a housing project becoming financially untenable. Your Committee believes that the State must reduce the cost of



developing housing and that the imposition of school impact fees no longer achieve its original intent and now only increases the cost of developing housing in the State.

Your Committee notes that the Land Use Commission currently has the authority to impose certain land conditions to ensure that there is land available for all schools in the State.

Accordingly, your Committee has amended this measure by:

- (1) Repealing the School Impact Fees program, rather than only exempting certain small developments from the school impact fee requirements;
- (2) Abolishing and transferring unencumbered balances of the School Impact Fee Subaccount and certain fair share contribution accounts into the School Facilities Special Fund;
- (3) Repealing the sunset date of Act 268, Session Laws of Hawaii 2025;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1713, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Housing,

LAE

LUKE A. EVSLIN, Chair



