

Honolulu, Hawaii

Feb. 16, 2006

RE: S.B. No. 2901

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Transportation and Government Operations and Intergovernmental Affairs, to which was referred S.B. No. 2901 entitled:

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

beg leave to report as follows:

The purpose of this measure is to remove the restriction that allows only counties with a population in excess of 500,000 to impose highway impact fees.

Your Committees received testimony in support of this measure from the Department of Transportation (DOT), one Maui Council member, and the Land Use Research Foundation of Hawaii.

Your Committees agree with testimony of the DOT that this measure is needed to authorize the counties of Hawaii, Maui, and Kauai to assess impact fees as a condition of obtaining county building permits, in order to pay for state highway improvements. County-specific transportation plans will cost several billion dollars more than the State can actually afford. Impact fees provide counties with an optional means of financing for infrastructure for state projects which otherwise might be indefinitely postponed.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B.



No. 2901 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and Government Operations and Intergovernmental Affairs,

David Y. Ige

DAVID Y. IGE, Chair

Lorraine R. Inouye

LORRAINE R. INOUE, Chair



