

STAND. COM. REP. NO.

2325

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2702  
S.D. 1

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

Sir:

Your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs and Education and Military Affairs, to which was referred S.B. No. 2702 entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES,"

beg leave to report as follows:

The purpose of this measure is to require new residential developments to dedicate land or pay an in lieu fee for the development of additional school facilities.

This measure also restricts use of land dedicated or fees collected for development of school facilities to the benefit district where land was dedicated or fees collected, and provides for refund of the fees collected if not expended within six years of collection.

Testimony in support of the intent of the measure was submitted by the Department of Education, with reservations regarding its implementation. The Office of Planning recommended deferral of the measure until clear minimum legal standards for needs assessment, rational nexus, and proportionate share can be established for school impact fees. The Land Use Research Foundation of Hawaii also expressed concern that the measure is premature before the School Impact Fee Working Group established by Act 246, Session Laws of Hawaii 2005, completes its research and submits its report to the Legislature.



Your Committees find that the School Impact Fee Working Group was required by Act 246 to submit its findings, recommendations, and proposed legislation, if any, including a needs assessment case study of Central Oahu, to the Legislature no later than twenty days prior to the regular session of 2006. Your Committees further find that the Working Group needs additional time to complete the measurable, specific deliverables required by Act 246.

Your Committees have amended this measure to:

- (1) Make reference to the School Fair Share Contribution Study issued in May 2001;
- (2) Acknowledge the ongoing efforts of the School Impact Fee Working Group established by Act 246, Session Laws of Hawaii 2005;
- (3) Leave blank for further discussion the number of multifamily dwelling units that require dedication of land;
- (4) Specify that the fee in lieu of land dedication shall be paid to the State;
- (5) Clarify that the fee in lieu of land dedication shall be based upon the fair market value of the improved land;
- (6) Change the effective date to July 1, 2050, to facilitate further discussion; and
- (7) Make technical, nonsubstantive amendments for clarity and style.

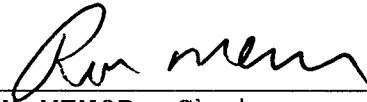
As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2702, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2702, S.D. 1, and be referred to the Committee on Ways and Means.



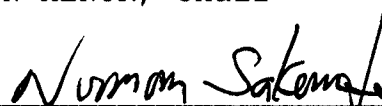
Respectfully submitted on  
behalf of the members of the  
Committees on Commerce,  
Consumer Protection, and  
Housing and Intergovernmental  
Affairs and Education and  
Military Affairs,



DAVID Y. ICE, Chair



RON MENOR, Chair



NORMAN SAKAMOTO, Chair







