

STAND. COM. REP. NO. **433**

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 696
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committees on Education and Intergovernmental and
Military Affairs, to which was referred S.B. No. 696 entitled:

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

beg leave to report as follows:

The purpose of this measure is to establish a process for
determining and assessing school impact fees for financing new or
expanding existing public schools or facilities when new
residential subdivisions are contemplated.

Comments on the measure were submitted by the Land Use
Research Foundation of Hawaii. Testimony in opposition to this
measure was submitted by the Department of Education.

Your Committees find that the School Impact Fee Working Group
was established pursuant to Act 246, Session Laws of Hawaii 2005,
and was tasked with, among other things, submitting proposed
legislation to the Legislature on its recommendations for
determining school impact fees within identified school impact
districts. The School Impact Fee Working Group transmitted its
report to the Legislature in December 2006, which contained
recommendations for two separate approaches. This measure
represents the School Impact Fee Working Group's recommendation
for requiring school impact fees to be calculated based on the
appropriate student generation rates for each growth area. This
approach presents a more narrowly tailored option for better
assessing the true cost impact for each school impact district by
considering the relationship between the amount of the school

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impact fees and the actual impact of the new housing. However, because detailed student generation data may not be readily available for many areas of the State, use of this approach could present challenges.

Your Committees recognize and appreciate the collaborative effort and work that the School Impact Fee Working Group has provided, but understands that this measure is a work-in-progress, which requires further discussion and analysis to determine what is the best approach for determining the manner by which to calculate school impact fees and how that approach should be implemented.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying the intent of the measure to require developers to provide the land for new schools and a percentage of the cost of building new classrooms needed to serve new residential developments;
- (2) Clarifying the definition of a "greenfield school impact district" to encompass any largely undeveloped, formerly agricultural area where anticipated growth will create the need for new schools in the area to serve the new housing development;
- (3) Removing the requirement that payment of assessment impact fees shall be a condition precedent to the issuance of a building permit;
- (4) Clarifying that prior to the designation of a greenfield school impact district, the Department of Education shall analyze the need for the construction of one or more schools in the area, not limited to only elementary and high schools;
- (5) Requiring the Department of Education to analyze the need to construct or expand school facilities in the area within the next twenty-five years, instead of ten years, prior to the designation of a non-greenfield school impact district;
- (6) Clarifying that the owner or developer of property, if requested by the Department of Education, shall designate the proposed area of land to be dedicated for



one or more schools in determining whether the dedication of land or payment of a fee in lieu is required;

- (7) Clarifying that, when land dedication is required, the land shall be conveyed to the State upon completion of the subdivision improvements and any offsite infrastructure necessary to serve the land;
- (8) Clarifying that the fee in lieu of land dedication for residential subdivisions of fifty acres or more shall be based on the value of the improved land, as if contained in a single parcel, zoned for residential use, suitable for school construction, and serviced by roads, utilities, and drainage;
- (9) Requiring the Department of Education to pay the developer a per-acre amount for the excess acreage at a per acre value if the Department of Education needs a parcel larger than the size the developer is required to dedicate;
- (10) Clarifying that school impact fees shall be based on the costs per student of new classroom construction in the Honolulu assessment district;
- (11) Requiring the Department of Education to update the costs per student of new classroom construction every three years, assuming twenty-five students per classroom in an eight-classroom building with appurtenant restrooms;
- (12) Providing that the updated cost per student shall replace the cost applicable to classroom buildings built in 2006;
- (13) Deleting the calculated elementary, middle, and high school costs per student in the Honolulu assessment district;
- (14) Specifying that the calculation of revenue credits shall be made in the manner used to determine revenue credits in the Hawaii School Impact Fee Study; and

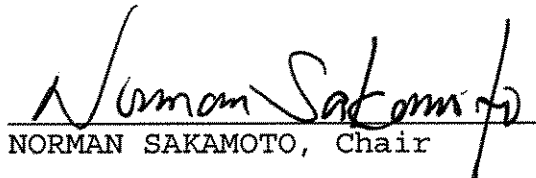


- (15) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 696, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 696, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Education and
Intergovernmental and Military
Affairs,



LORRAINE R. INOUE, Chair


NORMAN SAKAMOTO, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii


Record of Votes
Committee on Education
EDU

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 696	EDU/IGM, WAM	02/12/07		
<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 type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAKAMOTO, Norman (C)	X			
TOKUDA, Jill N. (VC)	X			
CHUN OAKLAND, Suzanne	X			
HEE, Clayton	X			
NISHIHARA, Clarence K.	X			
TANIGUCHI, Brian T.	X			
GABBARD, Mike	X			
TOTAL	7	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	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes

The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Intergovernmental and Military Affairs
IGM

Bill / Resolution No.:* SB 696	Committee Referral: EDU/IGM, WAM	Date: 2/12/07		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	/			
TSUTSUI, Shan S. (VC)	/			
HEMMINGS, Fred				/
TOTAL	2			1
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 Clerk's Office Drafting Agency				

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