

STAND. COM. REP. NO.

1277

Honolulu, Hawaii

March 16, 2007

RE: S.B. No. 696
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 696, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill 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 planned.

The Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Education supported the intent of this measure. The Hawaii Leeward Planning Conference offered comments.

Your Committee has amended this bill by, among other things:

- (1) Clarifying that developers are only required to provide some of the land for new schools and a portion, rather than a specific percentage, of the cost of building new classrooms needed to serve new residential development;
- (2) Deleting the specification that a greenfield school impact district be a formerly agricultural area;

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- (3) Clarifying that the analysis done prior to the designation of a greenfield school impact district to identify the percentages of existing student enrollment located in permanent and portable buildings, is to target immediately adjacent rather than surrounding high school complexes;
- (4) Clarifying that prior to the designation of a non-greenfield school impact district:
 - (A) The analysis to consider the need to construct or expand school facilities in the area need not cover the next 25 years; and
 - (B) The analysis to be done need not include a calculation of the current level of educational service in the area;
- (5) Clarifying that prior to the designation of a greenfield or non-greenfield school impact district, the analysis to be done to support appropriate student generation rates be by school level only, and not housing type;
- (6) Specifying that the development of condominium property regimes may be subject to the requirement to dedicate land, or pay a fee in lieu, for a new school facility;
- (7) Deleting the stipulation that land proposed to be dedicated for a school site be usable by DOE for that purpose, and instead requiring that the land meet the requirements of DOE and DLNR;
- (8) Requiring that at least every three years, DOE update the student generation rates for housing within the school impact fee district;
- (9) Changing the formula used to calculate the school impact fee per dwelling unit for single-family detached and multi-family housing in each designated school impact district;
- (10) Deleting the condition that fees in lieu of:
 - (A) School land dedication collected within each school impact district be spent only for the acquisition of school sites; and



- (B) School impact fees collected within each school impact district be spent only for the expansion of existing schools or construction of new schools;
- (11) Deleting the condition that if the land dedicated by the developer for school facilities is sold, the proceeds be used to acquire land for school facilities in the same school impact district;
- (12) Removing the specification that fees in lieu and impact fees be expended or encumbered within 20 years of the date of collection;
- (13) Requiring that if private construction of school facilities is proposed by a developer and the value of the proposed construction exceeds the total impact fees that would be due from the development, DOE shall execute with the developer an agreement to provide reimbursement for the excess construction costs, rather than for the excess credit from the impact fees collected from other developers within the same benefit district;
- (14) Changing the effective date to upon approval; and
- (15) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 696, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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



ROY TAKUMI, Chair



