

STAND. COM. REP. NO.

1017

Honolulu, Hawaii

MAR 02 2007

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

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 696, S.D. 1, entitled:

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

begs 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.

Written comments on the measure were submitted by the Department of Education.

This measure is based upon proposed legislation submitted by the School Impact Fee Working Group, established pursuant to Act 246, Session Laws of Hawaii 2005, recommending a method for determining school impact fees within identified school impact districts. Your Committee finds that further clarification and refinement of the provisions of this measure are necessary to streamline the process for determining the amount of the school impact fees or the provision of land in lieu of payment of the fees.

Accordingly, your Committee has amended this measure by:

- (1) Including a provision that requires the amount of the fee in lieu to be increased from the date it was determined to the date of payment using the Engineering



News-Record Construction Cost Index, or an equivalent index if that index is discontinued;

- (2) Altering the current calculations for determining the amount of land provided or fee in lieu paid;
- (3) Clarifying that the basis for determining school impact fees is on both new permanent classroom construction and new portable classroom construction;
- (4) Deleting the calculation for the current level of service for greenfield school impact areas;
- (5) Including new formulas for calculating the school impact fee per dwelling unit for single family detached and multi-family housing in each designated school impact district based upon school level;
- (6) Prohibiting the counties from issuing a residential building permit in a school impact district until written confirmation of payment of the school impact fee has been received from the Department of Education;
- (7) Allowing impact fee funds to be expended on portable buildings;
- (8) Specifying that if a fee in lieu is not expended within twenty years of the date of collection, the Department of Education shall refund a developer the amount of a fee in lieu paid and any interest accrued thereon calculated at the rate paid by the State on twenty-year bonds sold on the date closest to the date the fee in lieu was paid;
- (9) Changing the effective date of the Act to July 1, 2050, to facilitate further discussion on the measure; and
- (10) Making technical, nonsubstantive amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 696, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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ROSALYN H. BAKER, Chair



