

STAND. COM. REP. NO. 1521

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 1385
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1385, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL LANDS,"

begs leave to report as follows:

The purpose of this bill is to provide additional flexibility and the potential for additional revenue with respect to public school lands by:

- (1) Permitting, as a three-year pilot project, the Department of Education (DOE), with the approval of the Board of Education, to lease certain public school lands for the development of affordable workforce housing rental units under specified conditions;
- (2) Establishing a temporary public school construction tax credit not exceeding ten percent of construction costs incurred under leases described in paragraph (1) above;
- (3) Establishing a School Facilities Special Fund to accept monies from leases described in paragraph (1) above;
- (4) Establishing a School Facilities Advisory Board to advise DOE on, among other things, how best to optimize public school lands; and

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- (5) Requiring DOE to further develop a systematic process and mechanism to optimize the use of public school lands.

Imua Alliance and several concerned individuals supported this bill. DOE, the Department of Taxation, Department of Budget and Finance, Department of Land and Natural Resources, Office of Hawaiian Affairs, Mayor of the City and County of Honolulu, Hawaii State Teachers Association, Hawaii Government Employees Association, The Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, Good Beginnings Alliance, and Building Industry Association-Hawaii provided comments.

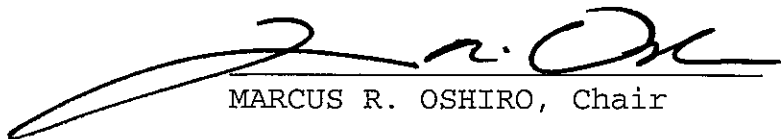
Your Committee notes that it may be advantageous to consider expanding provisions in this measure to allow public school land leases to include uses such as commercial and agricultural uses that go beyond workforce housing rental units.

Your Committee has amended this bill by:

- (1) Removing provisions that establish a temporary public school construction tax credit;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1385, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1385, S.D. 2, H.D. 2.

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



MARCUS R. OSHIRO, Chair



