
HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO CONVENE A
WORKING GROUP TO STUDY THE FEASIBILITY OF IMPOSING A SCHOOL
FACILITY FEE ON RESIDENTIAL PROPERTY.

1 WHEREAS, the State of Hawaii has two hundred sixty public
2 school campuses and the average age of their buildings is sixty-
3 five years old; and

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5 WHEREAS, the State of Hawaii only spends approximately
6 \$210,000,000 in each year of the fiscal biennium on putting
7 money back into its public schools through repair and
8 maintenance; and

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10 WHEREAS, when compared to the number of public school
11 students in Hawaii, the amount of money the State spends on
12 repair and maintenance represents only approximately \$200 per
13 pupil, versus many schools on the mainland that spend between
14 \$1,000 and \$1,200 per pupil on repairing and maintaining school
15 facilities; and

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17 WHEREAS, due to the relatively small amount spent on repair
18 and maintenance per pupil, the State of Hawaii ranks fifty-first
19 in the nation (including the District of Columbia) in terms of
20 how much money is spent on capital improvement projects per
21 pupil; and

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23 WHEREAS, the current backlog of capital improvement
24 projects is approximately \$266,000,000; and

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26 WHEREAS, based upon current funding sources, the State will
27 never be in a position to fix the problems with our school
28 facilities unless another source of revenue is found for these
29 projects; and

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31 WHEREAS, Hawaii must create twenty-first century school
32 facilities; and

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1 WHEREAS, if nothing is done, our schools will continue to
2 decay, creating inequalities, limiting our use of technologies,
3 and diminishing educational opportunities for our children; and
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5 WHEREAS, other states, such as California, use a portion of
6 the state's property tax revenues to fund school repairs and
7 upgrades; and
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9 WHEREAS, imposing a school facility fee on residential
10 property would create an additional source of revenue to be used
11 for school facilities; and
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13 WHEREAS, to create a fair source of revenue, a school
14 facility fee should be structured carefully to ensure that fee
15 revenues are distributed equally among all public schools and
16 public charter schools in the State; now, therefore,
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18 BE IT RESOLVED by the House of Representatives of the
19 Twenty-seventh Legislature of the State of Hawaii, Regular
20 Session of 2013, that the Department of Budget and Finance is
21 requested to convene a working group to study the feasibility of
22 imposing a school facility fee on residential property in the
23 State; and
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25 BE IT FURTHER RESOLVED that the Director of Finance is
26 requested to serve as the chairperson of the working group and
27 to select, as members of the working group, representatives of
28 the:
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- 30 (1) Department of Taxation;
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- 32 (2) Department of Education;
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- 34 (3) State Public Charter School Commission;
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- 36 (4) Department of Finance of each county; and
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- 38 (5) Economic Research Organization at the University of
39 Hawaii; and
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41 BE IT FURTHER RESOLVED that, as part of its study, the
42 working group is requested to:
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- 1 (1) Evaluate the feasibility of imposing a school facility
2 fee on residential property; provided that:
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- 4 (A) The fee shall be calculated based on the number
5 of bedrooms on each property; for example, at a
6 rate of:
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- 8 (i) \$200 per year for properties with one or two
9 bedrooms;
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- 11 (ii) \$400 per year for properties with three or
12 four bedrooms; and
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- 14 (iii) \$600 per year for properties with five or
15 more bedrooms;
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- 17 (B) The fee shall be assessed and collected by the
18 counties and paid to the State; provided that a
19 portion of the fees collected shall be used to
20 reimburse the counties for the costs of
21 assessment, collection, and disposition of the
22 fee;
23
- 24 (C) The fee revenues shall be used by the State to
25 fund repair and maintenance costs of all public
26 schools and public charter schools in the State;
27 provided that each public school or public
28 charter school receives an equal portion of the
29 fee revenues; and
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- 31 (D) The fee revenues may be used for the following
32 purposes:
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- 34 (i) School maintenance;
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- 36 (ii) Upgrading schools for better wireless
37 systems;
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- 39 (iii) Ensuring school safety; and
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- 41 (iv) General benefit of the public schools and
42 public charter schools of the State;
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- 1 (2) Discuss the possibility of incorporating an exemption
- 2 to the school facility fee for retirees or owner-
- 3 occupants who are sixty-two years of age or older;
- 4 including:
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- 6 (A) Logistical concerns of administering such an
- 7 exemption; and
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- 9 (B) Effect on fee revenues; and
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- 11 (3) Develop revenue projections for the school facility
- 12 fee; and
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14 BE IT FURTHER RESOLVED that the working group is requested

15 to submit a report of its findings and recommendations,

16 including any proposed legislation, to the Legislature no later

17 than twenty days prior to the convening of the Regular Session

18 of 2014; and

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20 BE IT FURTHER RESOLVED that certified copies of this

21 Resolution be transmitted to the Director of Finance, the

22 Director of Taxation, the Chairperson of the Board of Education,

23 the Superintendent of Education, the Chairperson of the State

24 Public Charter School Commission, the Director of Finance of

25 each county, and the Executive Director of the Economic Research

26 Organization at the University of Hawaii.

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OFFERED BY:

Denny Coffman

Steele

[Signature]

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MAR 13 2013

