

JAN 20 2017

A BILL FOR AN ACT

RELATING TO SCHOOL IMPACT FEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that as communities
2 expand and develop, school impact fees are assessed to offset
3 the impact of new homes and families on local schools. While
4 these assessments are in place to accommodate the increase in
5 new families and school enrollments that often accompany
6 development, the fees can be detrimental to certain types of
7 community projects, which is partly why exemptions exist for
8 projects like commercial projects, industrial projects, senior
9 housing projects, replacement homes, and projects to enlarge
10 existing homes. However, there is no exemption from school
11 impact fees for the efforts of nonprofit organizations that
12 provide housing to low-income individuals. Allowing these types
13 of projects to be exempt from school impact fees may encourage
14 developers to provide more low-income housing, increasing the
15 overall affordable housing supply for Hawaii residents.

16 The purpose of this Act is to provide an exemption from
17 school impact fees for housing developments constructed by



1 nonprofit housing organizations in which the units are rented or
2 sold to persons or families earning between thirty and eighty
3 per cent of the area median income.

4 SECTION 2. Section 302A-1603, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The following shall be exempt from this section:

- 7 (1) Any form of housing permanently excluding school-aged
8 children, with the necessary covenants or declarations
9 of restrictions recorded on the property;
- 10 (2) Any form of housing that is or will be paying the
11 transient accommodations tax under chapter 237D;
- 12 (3) All nonresidential development; ~~and~~
- 13 (4) Any development with an executed education
14 contribution agreement or other like document with the
15 department for the contribution of school sites or
16 payment of fees for school land or school
17 construction[-]; and
- 18 (5) Any housing development constructed by a nonprofit
19 housing organization in which the units are leased or
20 sold to persons or families with incomes between
21 thirty and eighty per cent of the area median income



1 as determined by the United States Department of
2 Housing and Urban Development."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on July 1, 2017.
6

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S.B. NO. 669

Report Title:

School Impact Fees; Exemption; Housing Developments; Nonprofits

Description:

Provides an exemption from school impact fees for housing developments constructed by nonprofit housing organizations in which the units are rented or sold to persons or families earning between thirty and eighty per cent of the area median income.

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