

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 1146
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1146, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to exempt new housing units that are reserved for persons or families with incomes up to eighty percent of the area median income from school impact fee requirements.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority, the Office of Planning, HE'E Coalition, and one individual.

Your Committee received written comments in opposition to this measure from BIA Hawaii, the Chamber of Commerce Hawaii, and IMUAlliance.

Your Committee received written comments on this measure from the Hawaii Housing Finance and Development Corporation and the Hawaii State Teachers Association.

Your Committee finds that school impact fees can significantly increase the cost of building new housing and that there currently is a serious shortage of affordable housing in the State. Your Committee further finds that exempting from school



impact fees all new housing units that are reserved for persons or families with incomes up to eighty percent of the area median income will encourage the development of affordable housing.

Your Committee has amended this measure by:

- (1) Changing the reference to housing "located on the island of Oahu" to "located in a county with a population greater than five hundred thousand," to avoid a potential conflict with Article VIII, section 1, of the Hawaii Constitution, which has been interpreted to preclude application of a special law that pertains to a single county by name; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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. 1146, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1146, S.D. 2.

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



JILL N. TOKUDA, Chair



