
A BILL FOR AN ACT

RELATING TO HOUSING DEVELOPMENT.

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

1 SECTION 1. Section 302A-1603, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§302A-1603 **Applicability and exemptions.** (a) Except as
4 provided in ~~[subsection]~~ subsections (b) ~~[7]~~ and (c), any person
5 who seeks to develop a new residential development within a
6 designated school impact district requiring:

7 (1) A county subdivision approval;

8 (2) A county building permit; or

9 (3) A condominium property regime approval for the
10 project,

11 shall be required to fulfill the land component impact fee or
12 fee in lieu requirement and construction cost component impact
13 fee requirement of the department ~~[, including all government~~
14 ~~housing projects and projects processed pursuant to sections 46-~~
15 ~~15.1 and 201H-38]~~.

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



- 1 (1) Any form of housing permanently excluding school-aged
2 children, with the necessary covenants or declarations
3 of restrictions recorded on the property;
- 4 (2) Any form of housing that is or will be paying the
5 transient accommodations tax under chapter 237D;
- 6 (3) All nonresidential development; and
- 7 (4) Any development with an executed education
8 contribution agreement or other like document with the
9 department for the contribution of school sites or
10 payment of fees for school land or school
11 construction.
- 12 (c) The following shall be exempt from fifty per cent of
13 the fee revenues imposed and collected pursuant to subsection
14 (a):
- 15 (1) Any housing project certified or approved for a
16 general excise tax exemption pursuant to section
17 201H-36, and all government housing projects and
18 projects processed pursuant to sections 46-15.1 and
19 201H-38;
- 20 (2) Any alteration to, or expansion of, an existing
21 dwelling unit where no additional dwelling unit is



1 created and the unit's use has not changed, even if
2 the alteration or expansion may require a county
3 building permit;

4 (3) Accessory dwelling units that are legally permitted by
5 a county. As used in this paragraph, "accessory
6 dwelling unit" means a second dwelling unit, including
7 separate kitchen, bedroom, and bathroom facilities,
8 attached or detached from the primary dwelling unit on
9 the same lot;

10 (4) Ohana dwelling units that are legally permitted by a
11 county. As used in this paragraph, "ohana dwelling
12 unit" means a second dwelling unit, including separate
13 kitchen, bedroom, and bathroom facilities, attached or
14 detached from the primary dwelling unit on the same
15 lot, that is occupied by persons who are related by
16 blood, marriage, or adoption to the persons residing
17 in the first dwelling unit; provided that an ohana
18 dwelling unit for which a building permit was obtained
19 before September 10, 1992, may be occupied by persons
20 who are not related by blood, marriage, or adoption to
21 the persons residing in the first dwelling unit; and



1 (5) Any housing project or property developed by the
2 Hawaii public housing authority."

3 SECTION 2. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on July 1, 2025.



Report Title:

Housing Development; School Impact Fees; Exemption

Description:

Exempts affordable housing units, additions to existing dwelling units, accessory dwelling units, ohana dwelling units, and affordable housing projects developed by the Hawaii public housing authority from 50 per cent of school impact fee requirements. Effective 7/1/2025. (HD1)

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