## A BILL FOR AN ACT

RELATING TO SCHOOL IMPACT FEES.

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

1		PART 1
2	SECT	ION 1. Section 302A-1603, Hawaii Revised Statutes, is
3	amended by	y amending subsection (b) to read as follows:
4	"(b)	The following shall be exempt from this section:
5	(1)	Any form of housing permanently excluding school-aged
6		children, with the necessary covenants or declarations
7		of restrictions recorded on the property;
8	(2)	Any form of housing that is or will be paying the
9		transient accommodations tax under chapter 237D;
10	(3)	All nonresidential development; [and]
11	(4)	Any development with an executed education
12		contribution agreement or other like document with the
13		department for the contribution of school sites or
14		payment of fees for school land or school
15		construction[-]; and

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1	(5) Any form of housing developed by the department of	
2	Hawaiian home lands for use by beneficiaries of the	
3	Hawaiian Homes Commission Act, 1920, as amended."	
4	PART II	
5	SECTION 2. The legislature finds that the department of	
6	education requires statutory flexibility to effectively manage	
7	and expend school impact fees. The purpose of this part is to	
8	provide that flexibility.	
9	SECTION 3. Section 302A-1608, Hawaii Revised Statutes, is	
10	amended as follows:	
11	1. By amending subsection (h) to read:	
12	"[+](h)[+] Construction cost component impact fees shall	
13	be used only [ <del>for</del> ]:	
14	(1) For the costs of new school facilities that expand the	
15	student capacity of existing schools or adds student	
16	capacity in new schools[+]; or	
17	(2) To improve or renovate existing structures for school	
18	use.	
19	Construction cost component impact fees [may] shall not be used	
20	to replace an existing school located within the same school	

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- 1 impact district, either on the same site or on a different
- 2 site."
- 3 2. By amending subsection (1) to read:
- 4 "[{](1)[}] Fees in lieu, proceeds from the sale of all or
- 5 part of an existing school site that has been dedicated by a
- 6 developer pursuant to the requirements of this subpart, and
- 7 construction cost component impact fees shall be expended or
- 8 encumbered within twenty years of the date of collection. Fees
- 9 shall be considered spent or encumbered on a first-in, first-out
- 10 basis. [An expenditure plan for all-collected impact fees shall
- 11 be incorporated into the annual budget process of the department
- 12 and subject to legislative approval of the budget.] "
- 13 PART III
- 14 SECTION 4. This Act does not affect rights and duties that
- 15 matured, penalties that were incurred, and proceedings that were
- 16 begun before its effective date.
- 17 SECTION 5. Statutory material to be repealed is bracketed
- 18 and stricken. New statutory material is underscored.
- 19 SECTION 6. This Act shall take effect on January 1, 2050;
- 20 provided that section 1 of this Act shall be repealed on July 1,
- 21 2024.

### Report Title:

School Impact Fees; Education; Housing; DHHL

#### Description:

Excludes housing developed by the department of Hawaiian home lands from school impact fees for three years. Allows construction cost component impact fees to be used to improve or renovate existing structures for school use. Repeals the requirement that an expenditure plan for all collected impact fees be incorporated into the department of education's annual budget process. Effective 1/1/2050. (SD1)

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