LEGISLATIVE REPORT

SUBJECT: School Impact Fees

REFERENCE: Act 245, SLH 2007 (HB19, HD2, SD2, CD1)

ACTION REQUESTED: Annual report on the implementation of the school impact fee law.

DOE REPORT:
Introduction: Act 245, Section 6, SLH 2007, requires the DOE to annually report on the school impact fees. Refer to the attachment entitled “Department of Education School Impact Fees”.

Findings: See attached

RECOMMENDATIONS: None.
The school impact fee statute is Chapter 302A, Sections 302A-1601 to 302A-1612, Hawaii Revised Statutes. The law includes a specific formula to calculate fee amounts. Builders of large residential projects can be required to provide land for school facilities depending on the numbers of students expected in their projects and the amount of available classroom space in existing area schools. Projects of 50 or more units need an agreement with the Department of Education (DOE) on the amount of land and or fees to be paid, prior to county approval to subdivide, rezone, or any other approval. Smaller developers and individual home owner-builders are required to pay a fee-in-lieu of land, when their project is too small to entertain a school site. All home builders or buyers must also pay a construction cost fee.

The DOE is collecting school impact fees in two school impact districts on Maui and one district on Oahu.

The DOE is collecting impact fees from the Leeward Oahu District with the assistance of the City and County of Honolulu. Collections in the first two fiscal years (FY2014 and FY2015) have totaled $751,840.

For the island of Maui, the DOE has collected fees for four and a half years, since January 2011, with the cooperation of Maui County. There are two separate districts on Maui: Central Maui and West Maui. Central Maui collections at the close of FY2015 totaled $1.268 million. West Maui collections for the same period totaled $462,267. Funds must be spent for land and facilities within the district that they are collected.

The DOE is now analyzing a possible urban Honolulu district and updating its analysis for the West Hawaii School Impact District. Implementation of the West Hawaii District will depend on cooperation from Hawaii County.