A BILL FOR AN ACT

RELATING TO HOUSING DEVELOPMENT.

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

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

"§302A-1603 Applicability and exemptions. (a) Except as provided in subsections (b) and (c), any person who seeks to develop a new residential development within a designated school impact district requiring:

(1) A county subdivision approval;

(2) A county building permit; or

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

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

(b) The following shall be exempt from this section:
Any form of housing permanently excluding school-aged children, with the necessary covenants or declarations of restrictions recorded on the property;

Any form of housing that is or will be paying the transient accommodations tax under chapter 237D;

All nonresidential development; and

Any development with an executed education contribution agreement or other like document with the department for the contribution of school sites or payment of fees for school land or school construction.

(c) The following shall be exempt from fifty per cent of the fee revenues imposed and collected pursuant to subsection (a):

(1) Any housing project certified or approved for a general excise tax exemption pursuant to section 201H-36, and all government housing projects and projects processed pursuant to sections 46-15.1 and 201H-38;

(2) Any alteration to, or expansion of, an existing dwelling unit where no additional dwelling unit is
created and the unit's use has not changed, even if
the alteration or expansion may require a county
building permit;

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

(4) Ohana dwelling units that are legally permitted by a
county. As used in this paragraph, "ohana dwelling
unit" means a second dwelling unit, including separate
kitchen, bedroom, and bathroom facilities, attached or
detached from the primary dwelling unit on the same
lot, that is occupied by persons who are related by
blood, marriage, or adoption to the persons residing
in the first dwelling unit; provided that an ohana
dwelling unit for which a building permit was obtained
before September 10, 1992, may be occupied by persons
who are not related by blood, marriage, or adoption to
the persons residing in the first dwelling unit; and
(5) Any housing project or property developed by the Hawaii public housing authority.

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

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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