

TESTIMONY ON SB 2025  
BEFORE  
THE COMMITTEE ON INTERGOVERNMENTAL AFFAIRS  
STATE SENATE  
THE TWENTY-THIRD LEGISLATURE  
REGULAR SESSION OF 2006

Tuesday, February 7, 2006  
3:00PM  
State Capitol, Room 225

To the HONORABLE DAVID Y. IGE, chair, HONORABLE DONNA  
MERCADO KIM, vice chair, and members of the committee:

Please accept this written testimony in support of this bill which proposes a more workable time period for County use of impact fees. The bill proposes the following change:

"§46-144 Collection and expenditure of impact fees. Collection and expenditure of impact fees assessed, imposed, levied, and collected for development shall be reasonably related to the benefits accruing to the development. To determine whether the fees are reasonably related, the impact fee ordinance or board rule shall provide that: ...

(5) Within [~~six~~] ten years of the date of collection, the impact fees shall be expended or encumbered for the construction of public facility capital improvements that are consistent with the needs assessment study and of reasonable benefit to the development."

Currently the statute expects a County to expend or encumber impact fees within six years of the date of collection. I've observed as part of my work experience and as a resident of Maui that six years may not be as workable a time period for the neighbor island County governments. Due to a variety of factors, many infrastructure projects, including new County roads or expansion of county roadways, will take close to or over six years to properly plan and construct.

In a rural County like Maui, development projects in former agricultural lands likely will require new or expanded infrastructure facilities. With County funding dependent on property taxes and user fees and with a relatively small population, new infrastructure necessarily requires prudent use and leveraging of available non-County sources.

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In the case of roads, the cost of new roadways increasingly involves federal aid which is limited and subject to competition from State highway projects and the projects of the other counties. Federal aid projects, with a time-consuming process that involves review and approval of County projects by federal and state agencies, already has a six-year window for securing and planning the use of available federal funds, obtaining the necessary land use approvals and entitlements, as well as negotiating the purchase or condemning required rights of ways. Six years may not provide sufficient time for impact fees to be used in a roadway that is reasonably related to the project being assessed.

Thank you for considering my comments on the bill.

Gil S.C. Keith-Agaran  
Wailuku, Maui, Hawaii  
(808) 242-4049