

JAN 25 2023

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# A BILL FOR AN ACT

RELATING TO BONDS.

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

1           SECTION 1. Section 39B-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§39B-2 Allocation of annual state ceiling.** (a) The  
4 annual state ceiling shall be allocated for each calendar year  
5 in the following proportions:

6           (1) An amount equal to fifty per cent of the annual state  
7 ceiling to the State;

8           (2) An amount equal to 37.55 per cent of the annual state  
9 ceiling to the city and county of Honolulu;

10          (3) An amount equal to 5.03 per cent of the annual state  
11 ceiling to the county of Hawaii;

12          (4) An amount equal to 2.41 per cent of the annual state  
13 ceiling to the county of Kauai; and

14          (5) An amount equal to 5.01 per cent of the annual state  
15 ceiling to the county of Maui.

16          (b) The department, with the approval of the governor, may  
17 assign all or any part of the allocation of the State to any



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1 issuer or any county for a specific calendar year or years. At  
2 the request of the department, any issuer or county to which any  
3 part of the State's allocation has been assigned shall return  
4 all or part of the assignment, in which case the department may  
5 provide for its reassignment.

6 (c) The department may request return of all or any part  
7 of the allocations of one or more counties made pursuant to  
8 subsection (a), and may assign and reassign the allocation to  
9 any other county or issuer for a specified calendar year or  
10 years.

11 (d) A county, by resolution of its governing body, or any  
12 issuer, by written certificate of such issuer, may request  
13 additional allocations of the annual state ceiling from, or  
14 assign all or any part of its portion of the allocation of the  
15 annual state ceiling to, the State for a specified calendar year  
16 or years. Before requesting an additional allocation of the  
17 annual state ceiling for a specific calendar year or years under  
18 this subsection, a county shall have applied all of its  
19 allocation of the annual state ceiling for the specified  
20 calendar year or years as evidenced by a certificate of the  
21 issuer or the director of finance of a county, as applicable,



1 under section 39B-3. If a county assigns all or any part of its  
2 private activity bond allocation for a specific calendar year or  
3 years to the State under this subsection, the assigned portion  
4 shall be applied to a project or projects located in the  
5 assigning county; provided that in the event that there are no  
6 remaining qualified projects, the private activity bond  
7 allocation may be awarded to projects located in other counties.

8 (e) If all or any part of a county's allocation of the  
9 annual state ceiling for a specific calendar year or years has  
10 not yet been applied under section 39B-3, any project located in  
11 that county seeking private activity bond financing subject to  
12 the annual state ceiling for the specified calendar year or  
13 years shall request that the county apply its allocation of the  
14 annual state ceiling for the specified calendar year or years to  
15 the issuance of private activity bonds for the project before  
16 requesting that the State apply any part of the State's  
17 allocation to the project."

18 SECTION 2. Section 39B-4, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 **"§39B-4 Report of unused allocation; reversion to State.**

21 The director of finance of each county shall report to the



1 department in writing by November 15 of each year as to the  
2 amount of allocation to [~~such~~] the county [~~which~~] that has not  
3 been applied to private activity bonds in [~~such~~] the year or  
4 assigned pursuant to this chapter.

5 In preparing [~~such~~] the report, the director of finance of  
6 the county shall deduct any allocation [~~which~~] that is unused or  
7 unassigned as of November 15 but will be applied to private  
8 activity bonds on or [~~prior to~~] before December 1 of [~~such~~] the  
9 specified year.

10 Unless the director of finance of the county or any issuer,  
11 by written certificate, indicates to the department and the  
12 Hawaii housing finance and development corporation [~~prior to~~]  
13 before November 15 of each year that it intends to carry forward  
14 all or any portion of its allocation [~~which~~] that has not been  
15 applied to private activity bonds in [~~such~~] the specified year  
16 or assigned pursuant to this chapter, [~~such~~] and the department  
17 indicates the same intent to the Hawaii housing finance and  
18 development corporation by November 30, the unused or unassigned  
19 allocation shall revert to the State on December 1 and the State  
20 shall be entitled to carry forward [~~such~~] the unused or  
21 unassigned allocation as permitted by federal law."



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

3 SECTION 4. This Act shall take effect on July 2, 2023.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to be 'ASL', is written over a horizontal line.



# S.B. NO. 1256

**Report Title:**

State Bonds; Annual Ceiling; Private Activity Bonds; HHFDC;  
Counties

**Description:**

Requires counties with a private activity bond issuance program to exhaust their allotment before applying to the State for the state allocation. Requires a project to first apply to the county in which the project is located, if the county has a private activity bond issuance program, before applying to the State. Requires the State, if it receives a county allocation, to award that same amount to benefit that county. Requires the department of budget and finance to indicate to the Hawaii housing finance and development corporation any county amount of unused or unassigned allocation. Effective 7/2/2023.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

