
A BILL FOR AN ACT

RELATING TO HOMELESSNESS.

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

1 SECTION 1. The legislature finds that homelessness
2 continues to be one of the State's most significant and
3 challenging social problems. For decades, federal, state, and
4 county governments have adopted measures and implemented
5 programs to combat homelessness. In 1935, the territorial
6 legislature established the Hawaii housing authority to provide
7 safe and sanitary housing for low-income residents of Hawaii.
8 In 1953, construction of the Mayor Wright homes public housing
9 project was completed, making hundreds of units available for
10 low-income families and individuals. Act 105, Session Laws of
11 Hawaii 1970, expanded the duties of the Hawaii housing authority
12 to address the critical shortage of housing for lower- and
13 middle-income residents. In 1987, the governor's office created
14 the state homeless task group to advise the governor and ensure
15 coordination across homeless services. In 2005, the United
16 States Department of Housing and Urban Development awarded
17 almost \$6,000,000 in grants-in-aid for Hawaii's homeless. These



1 funds were distributed to several agencies and programs,
2 including homeless shelters and drug treatment facilities. At
3 that time, a plan was proposed to create a "tent city" on Oahu's
4 leeward coast. However, that plan was abandoned due to protests
5 from residents who were concerned that the plan would increase
6 crime rates in the area.

7 Today, the Hawaii public housing authority administers more
8 than six thousand federal and state low-income public housing
9 units and provides thousands of rental assistance vouchers.
10 Over sixty nonprofit shelters and programs provide services to
11 over fourteen thousand homeless individuals each year. In
12 addition, hundreds of families at risk of becoming homeless
13 receive financial assistance or housing-related support services
14 to keep them housed.

15 Despite these and decades of many other government efforts,
16 expenditures of millions of tax dollars, and countless hours of
17 work by government and private sector employees, Hawaii
18 continues to have the highest per capita rate of homelessness in
19 the nation. In 2011, approximately six thousand two hundred
20 individuals were homeless on any particular day. In 2015, this
21 number increased to seven thousand six hundred individuals.



1 During the 2013-2014 fiscal year, 14,282 homeless individuals
2 received services through shelter and outreach programs compared
3 to eleven thousand seventy individuals during the 2006-2007
4 fiscal year.

5 The legislature finds that homelessness is a complex issue
6 that requires continuous resources and coordinated efforts at
7 all levels. Homeless people face many different issues,
8 including mental illness, substance abuse, loss of employment
9 and income, and a lack of affordable housing. Appropriate
10 funding for programs tailored to address these issues is
11 essential.

12 The purpose of this Act is to provide better assistance to
13 the homeless population by:

- 14 (1) Establishing a community shelter commission in each
15 county;
- 16 (2) Establishing a homelessness special fund;
- 17 (3) Increasing the conveyance tax; and
- 18 (4) Directing portions of the conveyance tax to the
19 homelessness special fund and to other projects that
20 benefit the homeless.



1 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding two new sections to part XVII to be
3 appropriately designated and to read as follows:

4 "§346-A Homelessness special fund. (a) There is
5 established in the state treasury the homelessness special fund,
6 to be administered by the department, into which shall be
7 deposited:

8 (1) Any net proceeds or revenue from the operation,
9 management, sale, lease, or other disposition of any
10 homeless housing project established pursuant to this
11 chapter;

12 (2) The appropriate percentage identified under section
13 247-7 of all taxes imposed and collected under chapter
14 247; and

15 (3) Moneys from any other private or public source;
16 provided that mandates, regulations, or conditions on
17 these moneys do not conflict with the use of the fund
18 under this chapter; and provided further that moneys
19 received as a deposit or private contribution shall be
20 deposited, used, and accounted for in accordance with



1 the conditions established by the agency or person
2 making the contribution.

3 (b) Moneys in the fund shall be expended for experimental
4 and demonstration projects for the homeless that are authorized
5 under this part, including payment of infrastructure,
6 construction, and operational costs.

7 §346-B Community shelter commissions; established;
8 composition. (a) There is established, within each county, a
9 community shelter commission.

10 (b) Each community shelter commission shall be composed of
11 a representative from each of the following:

12 (1) The State, to be selected by the governor;

13 (2) The United States, to be invited by the governor;

14 (3) The county, to be selected by the mayor of the
15 respective county;

16 (4) The clergy, to be invited by the governor;

17 (5) The real estate commission;

18 (6) Social services, to be invited by the president of the
19 senate; and

20 (7) Businesses, to be invited by the speaker of the house
21 of representatives.



1 (c) Each community shelter commission shall have the
2 exclusive authority to select public property within its
3 respective county to be used for providing homeless facilities,
4 shelters, and programs under this part.

5 (d) The decision of any community shelter commission to
6 select real property for use in accordance with subsection (c)
7 shall not be subject to amendment by the legislature or county
8 council for five years immediately succeeding the decision.

9 (e) The department shall establish rules pursuant to
10 chapter 91 to implement the purposes of this section."

11 SECTION 3. Section 247-2, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§247-2 Basis and rate of tax.** The tax imposed by section
14 247-1 shall be based on the actual and full consideration
15 (whether cash or otherwise, including any promise, act,
16 forbearance, property interest, value, gain, advantage, benefit,
17 or profit), paid or to be paid for all transfers or conveyance
18 of realty or any interest therein, that shall include any liens
19 or encumbrances thereon at the time of sale, lease, sublease,
20 assignment, transfer, or conveyance, and shall be at the
21 following rates:



1 (1) Except as provided in paragraph (2):

2 (A) Ten cents per \$100 for properties with a value of
3 less than \$600,000;

4 (B) Twenty cents per \$100 for properties with a value
5 of at least \$600,000, but less than \$1,000,000;

6 (C) [~~Thirty~~] Thirty-five cents per \$100 for
7 properties with a value of at least \$1,000,000,
8 but less than \$2,000,000;

9 (D) [~~Fifty~~] Fifty-five cents per \$100 for properties
10 with a value of at least \$2,000,000, but less
11 than \$4,000,000;

12 (E) [~~Seventy~~] Seventy-five cents per \$100 for
13 properties with a value of at least \$4,000,000,
14 but less than \$6,000,000;

15 (F) [~~Ninety~~] Ninety-five cents per \$100 for
16 properties with a value of at least \$6,000,000,
17 but less than \$10,000,000; and

18 (G) One dollar and five cents per \$100 for properties
19 with a value of \$10,000,000 or greater; and



(2) For the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption on property tax:

(A) Fifteen cents per \$100 for properties with a value of less than \$600,000;

(B) Twenty-five cents per \$100 for properties with a value of at least \$600,000, but less than \$1,000,000;

(C) [~~Forty~~] Forty-five cents per \$100 for properties with a value of at least \$1,000,000, but less than \$2,000,000;

(D) [~~Sixty~~] Sixty-five cents per \$100 for properties with a value of at least \$2,000,000, but less than \$4,000,000;

(E) [~~Eighty-five~~] Ninety cents per \$100 for properties with a value of at least \$4,000,000, but less than \$6,000,000;

(F) One dollar and [~~ten~~] fifteen cents per \$100 for properties with a value of at least \$6,000,000, but less than \$10,000,000; and



1 (G) One dollar and [~~twenty-five~~] thirty cents per
2 \$100 for properties with a value of \$10,000,000
3 or greater,
4 of [~~such~~] actual and full consideration; provided that in the
5 case of a lease or sublease, this chapter shall apply only to a
6 lease or sublease whose full unexpired term is for a period of
7 five years or more, and in those cases, including (where
8 appropriate) those cases where the lease has been extended or
9 amended, the tax in this chapter shall be based on the cash
10 value of the lease rentals discounted to present day value and
11 capitalized at the rate of six per cent, plus the actual and
12 full consideration paid or to be paid for any and all
13 improvements, if any, that shall include on-site as well as off-
14 site improvements, applicable to the leased premises; and
15 provided further that the tax imposed for each transaction shall
16 be not less than \$1."

17 SECTION 4. Section 247-7, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§247-7 Disposition of taxes.** All taxes collected under
20 this chapter shall be paid into the state treasury to the credit
21 of the general fund of the State, to be used and expended for



1 the purposes for which the general fund was created and exists
2 by law; provided that of the taxes collected each fiscal year:

3 (1) ~~[Ten]~~ _____ per cent or \$6,800,000, whichever is less,
4 shall be paid into the land conservation fund
5 established pursuant to section 173A-5; ~~[and]~~

6 (2) ~~[Fifty]~~ _____ per cent or \$38,000,000, whichever is
7 less, shall be paid into the rental housing revolving
8 fund established by section 201H-202[-];

9 (3) _____ per cent shall be paid to the Hawaii public
10 housing authority to be used for experimental or
11 demonstration housing projects authorized pursuant to
12 section 356D-11(e);

13 (4) _____ per cent shall be paid to the Hawaii housing
14 finance and development corporation to be used for
15 experimental or demonstration housing projects
16 authorized pursuant to section 201H-12(e); and

17 (5) _____ per cent shall be paid into the homelessness
18 special fund established pursuant to section 346-A."

19 SECTION 5. In codifying the new sections added by section
20 2 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

Samuel S. King
Ken B.
K. H.
John M. M.
Cindy Evans
B. H.
Lyn De Corte
J. M.
Calvin H. King

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H.B. NO. 2408

Report Title:

Homelessness; Homelessness Special Fund; Community Shelter Commission; Conveyance Tax; HHFDC; HPHA; DHS

Description:

Establishes the homelessness special fund. Establishes a community shelter commission in each county. Raises the conveyance tax and directs revenues toward experimental or demonstration housing projects administered by the Hawaii Housing Finance and Development Corporation and by the Hawaii Public Housing Authority and homeless facilities and programs administered by the Department of Human Services.

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