

JAN 23 2020

A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

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

1 SECTION 1. The legislature finds that the State
2 desperately needs to increase the development and construction
3 of affordable housing units. The legislature passed Act 127,
4 Session Laws of Hawaii 2016, which established a rental housing
5 goal of developing at least 22,500 rental housing units to be
6 ready for occupancy between 2017 and 2026. The rental housing
7 revolving fund, which provides low-interest loans or grants to
8 qualified owners and developers constructing affordable housing
9 units, can help to fulfill the housing need.

10 The legislature further finds that under the current
11 statute, fifty per cent or \$38,000,000, whichever is less, is
12 paid into the rental housing revolving fund annually from the
13 state conveyance tax. Over the last three fiscal years, the
14 existing cap limited rental housing revolving funds from the
15 conveyance tax to \$38,000,000. If there were no cap to the
16 funds, the rental housing revolving fund would have had an



1 increase in funds of \$9,250,000 in fiscal year 2017, \$12,300,000
2 in 2018, and \$5,000,000 in 2019.

3 Increasing the statutory cap would have the potential to
4 increase the amount available in the rental housing revolving
5 fund to be used for the development, pre-development,
6 construction, acquisition, preservation, and substantial
7 rehabilitation of rental housing units.

8 SECTION 2. Section 247-7, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§247-7 Disposition of taxes.** All taxes collected under
11 this chapter shall be paid into the state treasury to the credit
12 of the general fund of the State, to be used and expended for
13 the purposes for which the general fund was created and exists
14 by law; provided that of the taxes collected each fiscal year:

15 (1) Ten per cent or \$6,800,000, whichever is less, shall
16 be paid into the land conservation fund established
17 pursuant to section 173A-5; and

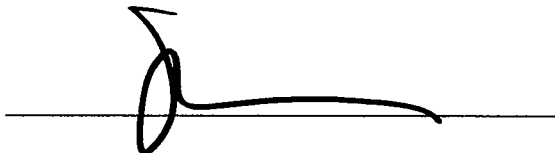
18 (2) Fifty per cent or [~~\$38,000,000~~] \$43,000,000,
19 whichever is less, shall be paid into the rental
20 housing revolving fund established by section
21 201H-202."

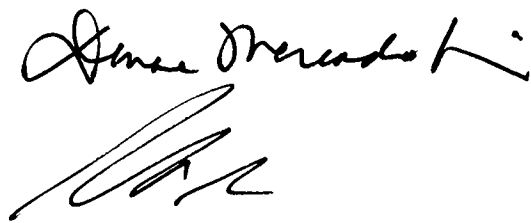



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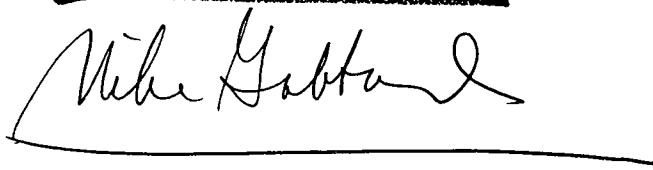
1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2020.
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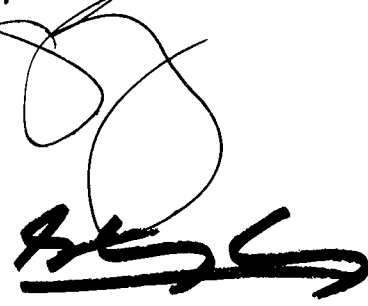
INTRODUCED BY: 




Karl Rhoad









S.B. NO. 3062

Report Title:

Real Estate Conveyance Tax; Disposition; Rental Housing
Revolving Fund; Cap

Description:

Increases the cap to be paid into the rental housing revolving
fund from Conveyance Tax revenues.

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

