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# A BILL FOR AN ACT

RELATING TO INFRASTRUCTURE IMPROVEMENT DISTRICTS.

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

1 SECTION 1. Section 201H-191.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " ~~[+] §201H-191.5 [+~~ Regional state infrastructure  
4 subaccounts. (a) The corporation, upon request by a county,  
5 may establish and operate a regional state infrastructure  
6 subaccount within the dwelling unit revolving fund established  
7 pursuant to section 201H-191 for the benefit of the housing and  
8 mixed-use transit-oriented development projects within the  
9 county.

10 (b) Each regional state infrastructure subaccount shall  
11 consist of the following sources of revenue:

12 (1) Moneys received by the corporation from counties for  
13 the repayment of the loan principal and the payment of  
14 simple interest from various assessments or fees from  
15 special improvement districts, improvement districts,  
16 tax increment financing districts, community  
17 facilities districts, and other areas where property



1 value increases are captured over periods of time for  
2 the purposes of infrastructure financing;

- 3 (2) Appropriations from the legislature;
- 4 (3) Federal grants and subsidies to the State or counties;
- 5 (4) Private investments; and
- 6 (5) Voluntary contributions.

7 (c) The corporation shall expend revenues in the  
8 subaccounts to make grants and loans to state agencies, and  
9 loans to counties or private developers, for the costs, in whole  
10 or in part, of infrastructure improvements that would increase  
11 the capacity of the infrastructure facilities, including  
12 regional sewer systems, water systems, drainage systems, roads,  
13 and telecommunications and broadband.

14 (d) Whenever the corporation undertakes, or causes to be  
15 undertaken, a regional infrastructure improvement project, the  
16 cost of providing regional infrastructure improvements may be  
17 assessed against transit-oriented development projects specially  
18 benefiting from the improvements, and the corporation shall take  
19 into consideration previous contributions by project owners to  
20 infrastructure improvements; provided that:



- 1       (1) The corporation may fix the assessments against real  
2       property specially benefited. All assessments made  
3       pursuant to this subsection shall be a statutory lien  
4       against each lot or parcel of land assessed from the  
5       date of the notice declaring the assessment until paid  
6       and the lien shall have priority over all other liens  
7       except the lien of property taxes. As between liens  
8       of assessments, the earlier lien shall be superior to  
9       the later lien;
- 10       (2) Notwithstanding any other law to the contrary, in  
11       assessing real property specially benefiting from  
12       improvements, the corporation may utilize various  
13       methods including but not limited to:
- 14       (A) Assessment on a frontage basis;  
15       (B) According to the area of real property for  
16       transit-oriented development projects;  
17       (C) According to the area of real property within an  
18       assessment area;  
19       (D) Any other assessment method that assesses the  
20       real property according to the special benefit  
21       conferred; or



1           (E) Any combination thereof;

2           (3) The assessments made under this subsection shall not  
3           apply to projects within the stadium development  
4           district as established pursuant to section 206E-223;

5           (4) The corporation shall adopt rules pursuant to  
6           chapter 91, providing for the method of assessment of  
7           real properties specially benefited; and

8           (5) All sums collected under this subsection shall be  
9           deposited in the dwelling unit revolving fund  
10           established pursuant to section 201H-191.

11           (e) Grants and loans shall be made only for capital  
12           improvement projects approved by the respective county council  
13           and mayor, or state agency, as applicable, with a view towards  
14           planned growth rather than upkeep and maintenance. The Hawaii  
15           interagency council for transit-oriented development shall  
16           review and make recommendations on applications for subaccount  
17           funds for infrastructure projects related to transit-oriented  
18           development.

19           ~~(d)~~ (f) Eligible costs shall include those for planning,  
20           design, feasibility studies, construction, and materials. No  
21           grant or loan shall be made:



1 (1) For maintenance or repair costs unless the  
2 construction would simultaneously increase the  
3 carrying capacity of the infrastructure facility; or

4 (2) Solely for mass transit or electrical utilities.

5 (g) The corporation may also expend revenues in the  
6 subaccounts to repay private investors for their investment plus  
7 any interest accrued on their investments made into the  
8 subaccounts to finance, in whole or in part, infrastructure  
9 improvements that would increase the capacity of the  
10 infrastructure facilities, including regional sewer systems,  
11 water systems, drainage systems, roads, and telecommunications  
12 and broadband.

13 [~~(e)~~] (h) The corporation may accept improved land from  
14 the counties or private developers in repayment of their loans.

15 [~~(f)~~] (i) The corporation shall adopt rules in accordance  
16 with chapter 91 for the purposes of this section."

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

19 SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

HHFDC; Hawaii Interagency Council for Transit-oriented Development; Infrastructure Improvements; Regional State Infrastructure Subaccounts

**Description:**

Specifies that the cost of regional infrastructure improvements made by the Hawaii housing finance and development corporation may be assessed against transit-oriented development projects specially benefiting from the improvements, as determined by the corporation. Requires the Hawaii interagency council for transit-oriented development to review and make recommendations on applications for subaccount funds for infrastructure projects related to transit-oriented development. Exempts the stadium development district from the assessments made under this measure. (CD1)

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

