

JAN 21 2021

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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1           SECTION 1. Section 104-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (i) to read as follows:  
3           "(i) The terms of section 201H-36(a)(5) prevailing wages  
4 shall be deemed the prevailing wages serving as the basis of  
5 compliance with this chapter for work on the project when:  
6           (1) The Hawaii housing finance and development corporation  
7                has approved and certified a qualified person or firm  
8                involved with a newly constructed, or moderately or  
9                substantially rehabilitated project under section  
10              201H-36(a)(5) for exemption from general excise taxes;  
11           (2) The qualified person or firm has entered into a  
12                contract with a general contractor or subcontractors  
13                whose workforce is subject to either:  
14                (A) A collective bargaining agreement with a bona  
15                fide labor union for which a section  
16                201H-36(a)(5) prevailing wage for the laborers

1                   and mechanics employed for the construction  
2                   project has been approved by the director; or  
3           (B) A project labor agreement with the group whose  
4           wages are reflected in the Hawaii prevailing wage  
5           schedule for which section 201H-36(a) (5)  
6           prevailing wages for the laborers and mechanics  
7           employed for the construction project have been  
8           approved by the director; and

9           (3) The qualified person or firm has received no other  
10           direct or indirect financing for the construction  
11           project from any other governmental contracting  
12           agency[~~7~~] of the State, including the Hawaii housing  
13           finance and development corporation."

14           SECTION 2. Section 201H-36, Hawaii Revised Statutes, is  
15           amended by amending subsection (a) to read as follows:

16           "(a) In accordance with section 237-29, the corporation  
17           may approve and certify for exemption from general excise taxes  
18           any qualified person or firm involved with a newly  
19           constructed[~~7~~] or a moderately or substantially rehabilitated[~~7~~]  
20           project that is:

21           (1) Developed under this part;



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- 1           (2)    Developed under a government assistance program  
2                    approved by the corporation, including but not limited  
3                    to the United States Department of Agriculture's  
4                    section 502 direct loan program and Federal Housing  
5                    Administration's section 235 program;
- 6           (3)    Developed under the sponsorship of a private nonprofit  
7                    organization providing home rehabilitation or new  
8                    homes for qualified families in need of decent,  
9                    low-cost housing;
- 10          (4)    Developed by a qualified person or firm to provide  
11                    affordable rental housing where at least fifty per  
12                    cent of the available units are for households with  
13                    incomes at or below eighty per cent of the area median  
14                    family income as determined by the United States  
15                    Department of Housing and Urban Development, of which  
16                    at least twenty per cent of the available units are  
17                    for households with incomes at or below sixty per cent  
18                    of the area median family income as determined by the  
19                    United States Department of Housing and Urban  
20                    Development; or



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1 (5) Approved or certified from July 1, 2018, to June 30,  
2 2030, and developed under a contract described in  
3 section 104-2(i)(2) by a qualified person or firm to  
4 provide affordable rental housing through new  
5 construction or substantial rehabilitation; provided  
6 that:

7 (A) The allowable general excise tax and use tax  
8 costs [~~shall apply to contracting only and~~] shall  
9 not exceed \$30,000,000 per year in the aggregate  
10 for all projects approved and certified by the  
11 corporation; and

12 (B) All available units are for households with  
13 incomes at or below one hundred forty per cent of  
14 the area median family income as determined by  
15 the United States Department of Housing and Urban  
16 Development, of which at least twenty per cent of  
17 the available units are for households with  
18 incomes at or below eighty per cent of the area  
19 median family income as determined by the United  
20 States Department of Housing and Urban  
21 Development; provided that an owner shall not



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1           refuse to lease a unit solely because the  
2           applicant holds a voucher or certificate of  
3           eligibility under section 8 of the United States  
4           Housing Act of 1937, as amended."

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

7           SECTION 4. This Act shall take effect on July 1, 2021.

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INTRODUCED BY: 



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**Report Title:**

Rental Housing Projects; General Excise Tax Exemption;  
Prevailing Wages; Hawaii Housing Finance and Development  
Corporation

**Description:**

Removes limit on eligible costs for exemption from general  
excise tax for development of affordable rental housing  
certified by the Hawaii housing finance and development  
corporation.

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

