
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 constructed,
19 or a moderately or substantially rehabilitated, project that is:

20 (1) Developed under this part;



- 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



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



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, 2050.



Report Title:

Rental Housing Projects; General Excise Tax Exemption;
Prevailing Wages; HHFDC

Description:

Removes the limit on the type of costs eligible for exemption from the general excise tax for development of affordable rental housing certified by the Hawaii Housing Finance and Development Corporation. Effective 7/1/2050. (SD2)

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