



GOV. MSG. NO. 1197

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 25, 2021

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 25, 2021, the following bill was signed into law:

SB225 SD1 HD1 CD1

RELATING TO INFRASTRUCTURE
IMPROVEMENT DISTRICTS
ACT 095 (21)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

on JUN 25 2021

THE SENATE
THIRTY-FIRST LEGISLATURE, 2021
STATE OF HAWAII

ACT 095
S.B. NO. 225
S.D. 1
H.D. 1
C.D. 1

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.

APPROVED this 25 day of JUN, 2021




GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: April 27, 2021
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2021.


President of the Senate


Clerk of the Senate

SB No. 225, SD 1, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 27, 2021
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2021.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives