
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, as determined by the
19 corporation; provided that:

20 (1) The corporation may fix the assessments against real
21 property specially benefited. All assessments made



1 pursuant to this subsection shall be a statutory lien
2 against each lot or parcel of land assessed from the
3 date of the notice declaring the assessment until paid
4 and the lien shall have priority over all other liens
5 except the lien of property taxes. As between liens
6 of assessments, the earlier lien shall be superior to
7 the later lien;

8 (2) Notwithstanding any other law to the contrary, in
9 assessing real property specially benefiting from
10 improvements, the corporation may utilize various
11 methods including but not limited to:

12 (A) Assessment on a frontage basis;

13 (B) According to the area of real property for
14 transit-oriented development projects;

15 (C) According to the area of real property within an
16 assessment area;

17 (D) Any other assessment method that assesses the
18 real property according to the special benefit
19 conferred; or

20 (E) Any combination thereof;



1 (3) The corporation shall adopt rules pursuant to
2 chapter 91, providing for the method of assessment of
3 real properties specially benefited; and

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

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

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

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

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



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

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

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

13 SECTION 2. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 3. This Act shall take effect on July 1, 2050.



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. Effective 7/1/2050.
(HD1)

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