



GOV. MSG. NO. 1338

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 1, 2022

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 July 1, 2022, the following bill was signed into law:

SB3048 SD2 HD1 CD2

RELATING TO STATE FUNDS.
ACT 236

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

JUL 01 2022

on _____
THE SENATE
THIRTY-FIRST LEGISLATURE, 2022
STATE OF HAWAII

ACT 236
S.B. NO. 3048
S.D. 2
H.D. 1
C.D. 2

A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

PART I

SECTION 1. The legislature finds that the Hawaii housing finance and development corporation has legacy funds within the rental housing revolving fund that are derived from tax-exempt general obligation bond proceeds. These tax-exempt funds have limited usefulness for affordable rental housing development because under United States Treasury regulations, tax-exempt funds cannot be used to finance projects that also use low-income housing tax credits as there can only be one tax-exempt financing source per project. However, under United States Treasury regulations, tax-exempt bond proceeds can be used for public infrastructure projects. Financing of public infrastructure projects is an allowable use of the Hawaii housing finance and development corporation's dwelling unit revolving fund, but not the rental housing revolving fund.

16 The legislature further finds that the tax-exempt general
17 obligation bond proceeds in the rental housing revolving fund



1 could be utilized if the funds were transferred to the dwelling
2 unit revolving fund.

3 Therefore, the purpose of this part is to transfer
4 tax-exempt general obligation bond funds from the rental housing
5 revolving fund to the dwelling unit revolving fund.

6 SECTION 2. The director of finance is authorized to
7 transfer tax-exempt general obligation bond proceeds and the
8 interest that has accrued thereon from the rental housing
9 revolving fund to the dwelling unit revolving fund in an amount
10 not to exceed \$45,000,000 for fiscal year 2022-2023.

11 PART II

12 SECTION 3. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$300,000,000 or so
14 much thereof as may be necessary for fiscal year 2022-2023 to be
15 deposited into the rental housing revolving fund established in
16 section 201H-202, Hawaii Revised Statutes.

17 SECTION 4. There is appropriated out of the rental housing
18 revolving fund the sum of \$300,000,000 or so much thereof as may
19 be necessary for fiscal year 2022-2023 for the purposes of this
20 part; provided that up to \$150,000,000 may be used for mixed-
21 income rental projects or units in mixed-income rental projects



1 targeted for individuals and families with incomes above sixty
2 and at or below one hundred per cent of the median family income
3 for the State of Hawaii.

4 The sum appropriated shall be expended by the Hawaii
5 housing finance and development corporation for the purposes of
6 this part; provided that the appropriation shall not lapse at
7 the end of the fiscal year for which the appropriation is made;
8 provided further that any moneys not awarded as of June 30,
9 2023, may be used for other rental housing projects pursuant to
10 paragraph 201H-202(e)(1), Hawaii Revised Statutes; provided
11 further that all moneys from the appropriation that are
12 unallotted as of June 30, 2024, shall lapse on that date.

13 PART III

14 SECTION 5. Section 201H-202, Hawaii Revised Statutes, is
15 amended by amending subsections (b) and (c) to read as follows:

16 "(b) An amount from the fund, to be set by the corporation
17 and authorized by the legislature, may be used for
18 administrative expenses incurred by the corporation in
19 administering the ~~[fund,]~~ corporation's housing finance
20 programs; provided that fund moneys ~~[may]~~ shall not be used to



1 finance day-to-day administrative expenses of projects allotted
2 fund moneys.

3 (c) The following may be deposited into the fund:
4 appropriations made by the legislature, conveyance taxes
5 pursuant to section 247-7, private contributions, repayment of
6 loans, interest, other returns, and moneys from other sources."

7 PART IV

8 SECTION 6. There is established two full-time equivalent
9 (2.0 FTE) housing finance specialist I positions (BED160HF)
10 within the Hawaii housing finance and development corporation.

11 SECTION 7. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$1,594,000 or so much
13 thereof as may be necessary for fiscal year 2022-2023 for
14 computer software and hardware; information technology
15 improvements; videoconferencing improvements; and scanning and
16 digitization equipment, services, and warranties.

17 The sum appropriated shall be expended by the department of
18 business, economic development, and tourism for the purposes of
19 this part.

20 PART V



1 SECTION 8. From the American Rescue Plan funds
2 appropriation for disease outbreak control (HTH131), as
3 appropriated in House Bill No. 1600, H.D. 1, S.D. 2, C.D. 1, the
4 sum of \$5,000,000 or so much thereof as may be necessary for
5 fiscal year 2022-2023 shall be expended for the procurement of
6 rapid antigen tests to detect coronavirus disease 2019, with
7 preference given to procuring such tests that have received
8 emergency use authorization from the United States Food and Drug
9 Administration, and that were developed in the State of Hawaii.

10 PART VI

11 SECTION 9. In accordance with article VII, section 9, of
12 the Hawaii State Constitution, and sections 37-91 and 37-93,
13 Hawaii Revised Statutes, the legislature has determined that the
14 appropriations contained within this Act will cause the state
15 general fund expenditures for fiscal year 2022-2023 to exceed
16 the general fund expenditure ceiling by \$213,189,484, or 2.10
17 per cent. The general fund expenditure ceiling will be exceeded
18 for the following reasons:

19 (1) The appropriations made in this Act are necessary to
20 serve the public interest; and



1 (2) The appropriations made in this Act meet the needs
2 addressed by this Act.

3 SECTION 10. If any provision of this Act, or the
4 application thereof to any person or circumstance, is held
5 invalid, the invalidity does not affect other provisions or
6 applications of the Act that can be given effect without the
7 invalid provision or application, and to this end the provisions
8 of this Act are severable.

9 SECTION 11. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 12. This Act shall take effect on July 1, 2022.



S.B. NO. 3048
S.D. 2
H.D. 1
C.D. 2

APPROVED this 1st day of July, 2022

A handwritten signature in black ink, appearing to read "David I. Byrne". The signature is fluid and cursive, with a long horizontal stroke at the end.


GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 5, 2022
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 2022.


President of the Senate


Clerk of the Senate

SB No. 3048, SD 2, HD 1, CD 2

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 5, 2022
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 2022.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives