
A BILL FOR AN ACT

RELATING TO BONDS.

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

1 SECTION 1. The legislature finds that the Internal Revenue
2 Code of 1986, as amended, provides for a formula for the
3 allocation of the State's annual ceiling for tax-exempt private
4 activity bonds among governmental units authorized to issue
5 these bonds. The legislature further finds that title 26 United
6 States Code section 146(e) also allows a state to establish a
7 different formula for allocating the state ceiling among its
8 governmental units by state law. That authority was exercised
9 in the enactment of Act 62, Session Laws of Hawaii 1987, which
10 established a different ceiling allocation for the counties to
11 provide more flexibility and to better serve the needs of the
12 counties and other issuers of private activity bonds within the
13 State.

14 The legislature further finds that the State is committed
15 to the production and maintenance of available affordable
16 housing for its residents and that housing-related projects
17 could benefit from greater access to private activity bond



1 financing. Increasing coordination between the State and the
2 counties on the timing of private activity bond issuances would
3 allow the State to more efficiently allocate private activity
4 bonds for housing related projects.

5 Therefore, the purpose of this Act is to require counties
6 or issuers that retain their allocation to submit quarterly
7 reports on the status or use of any allocation.

8 SECTION 2. Chapter 39B, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§39B- Quarterly report status or use of allocation. In
12 addition to the report required by section 39B-4, each county or
13 any issuer shall submit a quarterly report to the department on
14 the status or use of its portion of the allocation of the annual
15 state ceiling, including any carryforward allocation, that has
16 not been applied to an issuance of a qualified private bond, as
17 evidenced by a certificate of the issuer or the director of
18 finance of a county, as applicable."

19 SECTION 3. Unless requested by the governor and approved
20 by the legislature, no special purpose revenue bonds requiring
21 an allocation of annual state ceiling under section 39B-2,



1 Hawaii Revised Statutes, shall be authorized after June 30, 2022
2 and before December 31, 2028.

3 SECTION 4. Any allocation of the annual state ceiling
4 under section 39B-2, Hawaii Revised Statutes, to a county with a
5 population of over five hundred thousand after June 30, 2022, or
6 before December 31, 2028, shall only be used for rental housing
7 projects eligible for the low-income housing tax credit under
8 section 235-110.8, Hawaii Revised Statutes.

9 SECTION 5 New statutory material is underscored.

10 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

State Bonds; Annual Ceiling; Private Activity Bonds; Hawaii
Housing Finance and Development Corporation; Housing-related
Projects; Counties

Description:

Requires any county or other issuer of private activity bonds to submit quarterly reports to the Department of Budget and Finance on the status or use of its portion of the allocation of the annual state ceiling. Prohibits the authorization of special purpose revenue bonds requiring allocation of the annual ceiling, unless requested and approved by the Legislature, between 6/30/2022 and 12/31/2028. Requires allocation of the annual ceiling to a county with a population of five hundred thousand or more between 6/30/2022 and 12/31/2028 to be used only for rental housing projects eligible for low-income housing tax credits. Effective 7/1/2050. (SD1)

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

