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### A BILL FOR AN ACT

RELATING TO SPECIAL IMPROVEMENT DISTRICTS.

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

1	SECTION 1. The legislature finds that Act 107, Session
2	Laws of Hawaii 1999 (Act 107), authorized the counties to create
3	special improvement districts to provide supplemental financial
4	support to these districts for the purpose of restoring or
5	promoting business activity. The legislature further finds that
6	since the enactment of Act 107, the needs and demands in these
7	districts have broadened to include the management or mitigation
8	of environmental and other conditions that impact natural
9	resources. More specifically, the legislature finds that Hawaii
10	is being exposed to a variety of threats that affect its
11	environment and ecosystems, including coastal hazards and the
12	results of climate change, such as the increase in the frequency
13	and severity of storms and drought, sea level rise, groundwater
14	inundation, and coastal erosion. These threats are of
15	particular concern to the State due to its island topography and

substantial coastal exposure.

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- 1 The purpose of this Act is to broaden the counties'
  2 authority to create special improvement districts by expanding
- 3 the objective of these districts to include to include
- 4 environmental protection and preservation, natural resource
- 5 management, and natural hazard mitigation.
- 6 SECTION 2. Section 46-80.5, Hawaii Revised Statutes, is
- 7 amended by amending subsection (a) to read as follows:
- 8 "(a) In addition and supplemental to the authority vested
- 9 in the counties by sections 46-80 and 46-80.1, any county having
- 10 a charter may enact an ordinance, and may amend the same from
- 11 time to time, authorizing the creation of special improvement
- 12 districts for the purpose of providing [and], financing
- 13 [supplemental], and coordinating federal, state, and county
- 14 efforts to engage in:
- 15 (1) <u>Supplemental</u> maintenance and security services [and
- 16 such other];
- 17 (2) Environmental research, restoration, and maintenance;
- 18 (3) Natural resource management;
- 19 (4) Natural hazard mitigation;
- 20 (5) Climate change and sea level rise adaptation; and

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1	(6) Other improvements, services, and facilities within
2	the special improvement district as the council of the
3	county determines will improve environmental
4	conditions, provide community benefits, and restore or
5	promote business activity in the special improvement
6	district and the making and financing of improvements
7	therein.
8	Each separate special improvement district shall be established
9	by a separate ordinance enacted as provided in the ordinance
10	authorizing the creation of special improvement districts. The
11	ordinance authorizing the creation of special improvement
12	districts may permit the county to provide for a board or
13	association, established pursuant to chapter 414D, to provide
14	management of the special improvement district, and to carry out
15	activities as may be prescribed by the ordinance authorizing the
16	creation of special improvement districts and the ordinance
17	establishing the special improvement district as permitted
18	thereby."
19	SECTION 3. This Act does not affect rights and duties that
20	matured, penalties that were incurred, and proceedings that were
21	begun before its effective date.

- 1 SECTION 4. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 5. This Act shall take effect on July 1, 2022.

### Report Title:

Special Improvement District; Environmental Protection; County Government; Natural Resource Management

#### Description:

Expands the purpose and rationale for which counties may create special improvement districts to include environmental research, restoration, and maintenance; natural resource management; and natural hazard mitigation to improve environmental conditions and provide community benefits. Effective 7/1/2022. (SD2)

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