



**GOV. MSG. NO. 1376**

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA

July 12, 2023

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

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

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

RE: House Bill No. 923

Pursuant to Section 16 of Article III of the State Constitution, House Bill No. 923, entitled "RELATING TO BONDS," became law without my signature as ACT 262, Session Laws of Hawaii 2023, on July 11, 2023.

Sincerely,

Anne E. Lopez  
Acting Governor, State of Hawaii

---

---

# A BILL FOR AN ACT

RELATING TO BONDS.

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

1 SECTION 1. Section 39B-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§39B-2 Allocation of annual state ceiling. (a) The  
4 annual state ceiling shall be allocated for each calendar year  
5 in the following proportions:

6 (1) An amount equal to fifty per cent of the annual state  
7 ceiling to the State;

8 (2) An amount equal to 37.55 per cent of the annual state  
9 ceiling to the city and county of Honolulu;

10 (3) An amount equal to 5.03 per cent of the annual state  
11 ceiling to the county of Hawaii;

12 (4) An amount equal to 2.41 per cent of the annual state  
13 ceiling to the county of Kauai; and

14 (5) An amount equal to 5.01 per cent of the annual state  
15 ceiling to the county of Maui.

16 (b) The department, with the approval of the governor, may  
17 assign all or any part of the allocation of the State to any



1 issuer or any county for a specific calendar year or years. At  
2 the request of the department, any issuer or county to which any  
3 part of the State's allocation has been assigned shall return  
4 all or part of the assignment, in which case the department may  
5 provide for its reassignment.

6 (c) The department may request return of all or any part  
7 of the allocations of one or more counties made pursuant to  
8 subsection (a), and may assign and reassign the allocation to  
9 any other county or issuer for a specified calendar year or  
10 years.

11 (d) A county, by resolution of its governing body, or any  
12 issuer, by written certificate of ~~such~~ the issuer, may request  
13 additional allocations of the annual state ceiling from, or  
14 assign all or any part of its portion of the allocation of the  
15 annual state ceiling to, the State for a specified calendar year  
16 or years. Before requesting an additional allocation of the  
17 annual state ceiling for a specific calendar year or years under  
18 this subsection, a county shall have applied all of its  
19 allocation of the annual state ceiling for the specified  
20 calendar year or years as evidenced by a certificate of the  
21 issuer or the director of finance of a county, as applicable,



1 under section 39B-3. If a county assigns all or any part of its  
2 private activity bond allocation for a specific calendar year or  
3 years to the State under this subsection, the assigned portion  
4 shall be applied to a project or projects located in the  
5 assigning county; provided that pursuant to a cooperative  
6 agreement with the department and Hawaii housing finance and  
7 development corporation under subsection (e), the private  
8 activity bond allocation may be awarded to projects located in  
9 other counties.

10 (e) In order to facilitate the construction of new rental  
11 housing projects, the department and Hawaii housing finance and  
12 development corporation may enter into a cooperative agreement  
13 with a county to coordinate the award of private activity bonds  
14 and low-income housing tax credits for new rental housing  
15 projects in the county. The agreement shall, except as provided  
16 under federal law, be exempt from all statutes, ordinances,  
17 charter provisions, and rules of any government agency relating  
18 to the award of private activity bonds and low-income housing  
19 tax credits."

20 SECTION 2. Section 39B-4, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           **"§39B-4 Report of unused allocation; reversion to State.**

2 The director of finance of each county shall report to the  
3 department and Hawaii housing finance and development  
4 corporation in writing by November 15 of each year as to the  
5 amount of allocation to [~~such~~] the county [~~which~~] that has not  
6 been applied to private activity bonds in [~~such~~] the year or  
7 assigned pursuant to this chapter.

8           In preparing [~~such~~] the report, the director of finance of  
9 the county shall deduct any allocation [~~which~~] that is unused or  
10 unassigned as of November 15 but will be applied to private  
11 activity bonds on or [~~prior to~~] before December 1 of [~~such~~] the  
12 specified year.

13           Unless the director of finance of the county or any issuer,  
14 by written certificate, indicates to the department and the  
15 Hawaii housing finance and development corporation [~~prior to~~]  
16 before November 15 of each year that it intends to carry forward  
17 all or any portion of its allocation [~~which~~] that has not been  
18 applied to private activity bonds in [~~such~~] the specified year  
19 or assigned pursuant to this chapter, [~~such~~] the unused or  
20 unassigned allocation shall revert to the State on December 1



1 and the State shall be entitled to carry forward [~~such~~] the  
2 unused or unassigned allocation as permitted by federal law."

3 SECTION 3. Act 182, Session Laws of Hawaii 2022, is  
4 amended by amending section 4 to read as follows:

5 "SECTION 4. [~~Unless requested by the governor and approved~~  
6 ~~by the legislature, no~~] No special purpose revenue bonds  
7 requiring an allocation of annual state ceiling under section  
8 39B-2, Hawaii Revised Statutes, shall be authorized after June  
9 30, [~~2022~~] 2023, and before December 31, 2028."

10 SECTION 4. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 2023.

APPROVED this                      day of                      , 2023

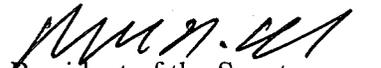
GOVERNOR OF THE STATE OF HAWAII



**THE SENATE OF THE STATE OF HAWAI‘I**

Date: May 2, 2023  
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai‘i, Regular Session of 2023.

  
President of the Senate

  
Clerk of the Senate

HB No. 923, HD 1, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2023  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2023.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives