
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.



Report Title:

State Bonds; Annual Ceiling; Private Activity Bonds; HHFDC;
Counties

Description:

Requires counties with a private activity bond issuance program to exhaust their allotment before applying to the State for the state allocation. Requires the State, if it receives a county allocation, to award that same amount to project or projects in that county. Authorizes the department of budget and finance and Hawaii housing finance and development corporation to enter into a cooperative agreement with a county to coordinate the award of private activity bonds and low-income housing tax credits for new rental housing projects in the county. Requires the directors of finance of each county to report to the department of budget and finance and Hawaii housing finance and development corporation any county amount of unused or unassigned allocation. Clarifying that no special purpose revenue bonds requiring an allocation of annual state ceiling shall be authorized after 6/30/2023 and before 12/31/2028.
(CD1)

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

