

JAN 20 2023

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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1           SECTION 1. Section 104-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (i) to read as follows:

3           "(i) The terms of section 201H-36(a)(5) prevailing wages  
4 shall be deemed the prevailing wages serving as the basis of  
5 compliance with this chapter for work on the project when:

6           (1) The Hawaii housing finance and development corporation  
7           has approved and certified a qualified person or firm  
8           involved with a newly constructed, or moderately or  
9           substantially rehabilitated project under section  
10           201H-36(a)(5) for exemption from general excise taxes;

11           (2) The qualified person or firm has entered into a  
12           contract with a general contractor or subcontractors  
13           whose workforce is subject to either:

14           (A) A collective bargaining agreement with a bona  
15           fide labor union for which a section  
16           201H-36(a)(5) prevailing wage for the laborers



1                   and mechanics employed for the construction  
 2                   project has been approved by the director; or  
 3           (B) A project labor agreement with the group whose  
 4                   wages are reflected in the Hawaii prevailing wage  
 5                   schedule for which section 201H-36(a)(5)  
 6                   prevailing wages for the laborers and mechanics  
 7                   employed for the construction project have been  
 8                   approved by the director; and

9           (3) The qualified person or firm has received no other  
 10           direct or indirect financing for the construction  
 11           project from [~~any other governmental contracting~~  
 12           ~~agency, including~~] the Hawaii housing finance and  
 13           development corporation.

14 A project for which section 201H-36(a)(5) prevailing wages have  
 15 been deemed the prevailing wages may receive a waiver of real  
 16 property taxes, permitting fees, water and sewer development  
 17 fees, and other development fees from a county."

18           SECTION 2. Section 201H-36, Hawaii Revised Statutes, is  
 19 amended by amending subsection (a) to read as follows:

20           "(a) In accordance with section 237-29, the corporation  
 21 may approve and certify for exemption from general excise taxes

1 any qualified person or firm involved with a newly constructed,  
2 or a moderately or substantially rehabilitated, project that is:

- 3 (1) Developed under this part;
- 4 (2) Developed under a government assistance program  
5 approved by the corporation, including but not limited  
6 to the United States Department of Agriculture's  
7 section 502 direct loan program and Federal Housing  
8 Administration's section 235 program;
- 9 (3) Developed under the sponsorship of a private nonprofit  
10 organization providing home rehabilitation or new  
11 homes for qualified families in need of decent, low-  
12 cost housing;
- 13 (4) Developed by a qualified person or firm to provide  
14 affordable rental housing where at least fifty per  
15 cent of the available units are for households with  
16 incomes at or below eighty per cent of the area median  
17 family income as determined by the United States  
18 Department of Housing and Urban Development, of which  
19 at least twenty per cent of the available units are  
20 for households with incomes at or below sixty per cent  
21 of the area median family income as determined by the



1 United States Department of Housing and Urban  
2 Development; or

3 (5) Approved or certified from July 1, 2018, to June 30,  
4 2030, and developed under a contract described in  
5 section 104-2(i)(2) by a qualified person or firm to  
6 provide affordable rental housing through new  
7 construction or substantial rehabilitation; provided  
8 that:

9 (A) The allowable general excise tax and use tax  
10 costs [~~shall apply to contracting only and~~] shall  
11 not exceed \$30,000,000 per year in the aggregate  
12 for all projects approved and certified by the  
13 corporation; and

14 (B) All available units are for households with  
15 incomes at or below one hundred forty per cent of  
16 the area median family income as determined by  
17 the United States Department of Housing and Urban  
18 Development, of which at least twenty per cent of  
19 the available units are for households with  
20 incomes at or below eighty per cent of the area  
21 median family income as determined by the United



1 States Department of Housing and Urban  
2 Development; provided that an owner shall not  
3 refuse to lease a unit solely because the  
4 applicant holds a voucher or certificate of  
5 eligibility under section 8 of the United States  
6 Housing Act of 1937, as amended."

7 SECTION 3. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on July 1, 2023.

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INTRODUCED BY: 



# S.B. NO. 866

**Report Title:**

Hawaii Housing and Finance Development Corporation; Rental Housing Projects; Affordable Housing; General Excise Tax Exemption; Prevailing Wages

**Description:**

Clarifies that the eligibility for the general excise tax exemption includes the nonreceipt of financing from the Hawaii Housing and Finance and Development Corporation. Allows certain affordable rental housing projects to receive a waiver of various development fees from a county. Removes the limit on the type of costs eligible for exemption from the general excise tax for development of affordable rental housing certified by the Hawaii Housing Finance and Development Corporation.

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

