### H.B. NO. <sup>923</sup> H.D. 1 S.D. 1 C.D. 1

### 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:		

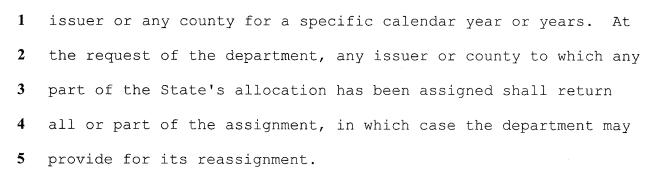
3 "\$39B-2 Allocation of annual state ceiling. (a) The
4 annual state ceiling shall be allocated for each calendar year
5 in the following proportions:

6	(1)	An amoun	t equal	to	fifty	per	cent	of	the	annual	state
7		ceiling	to the	Stat	e;						

- 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 state13 ceiling to the county of Kauai; and
- 14 (5) An amount equal to 5.01 per cent of the annual state15 ceiling to the county of Maui.
- 16 (b) The department, with the approval of the governor, may17 assign all or any part of the allocation of the State to any

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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 issuer, by written certificate of [such] the issuer, may request 12 13 additional allocations of the annual state ceiling from, or 14 assign all or any part of its portion of the allocation of the annual state ceiling to, the State for a specified calendar year 15 or years. Before requesting an additional allocation of the 16 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,



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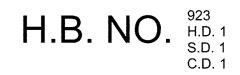
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1	under section 39B-3. If a county assigns all or any part of its			
2	private activity bond allocation for a specific calendar year or			
3	years to the State under this subsection, the assigned portion			
4	shall be applied to a project or projects 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			
<b>19</b> <sup>´</sup>	tax credits."			
20	SECTION 2. Section 39B-4, Hawaii Revised Statutes, is			
21	amended to read as follows:			

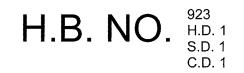
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1	"§39B-4 Report of unused allocation; reversion to State.
2	The director of finance of each county shall report to the
3	department and Hawaii housing finance and development
4	corporation in writing by November 15 of each year as to the
5	amount of allocation to [ <del>such</del> ] <u>the</u> county [ <del>which</del> ] <u>that</u> 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 [ <del>prior to</del> ] <u>before</u> December 1 of [ <del>such</del> ] <u>the</u>
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 [ <del>prior to</del> ]
16	before November 15 of each year that it intends to carry forward
17	all or any portion of its allocation [ <del>which</del> ] <u>that</u> has not been
18	applied to private activity bonds in [ <del>such</del> ] <u>the specified</u> year
19	or assigned pursuant to this chapter, [ <del>such</del> ] <u>the</u> unused or
20	unassigned allocation shall revert to the State on December 1

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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, [ <del>2022</del> ] <u>2023,</u> 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.