
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

1 SECTION 1. Section 412:5-305, Hawaii Revised Statutes, is
2 amended by amending subsection (h) to read as follows:
3 "(h) To the extent specified [~~herein,~~] in this subsection, a
4 bank may invest its own assets in limited partnerships, limited
5 liability partnerships, limited liability companies, or
6 corporations formed to invest in residential properties that will
7 qualify for the low income housing tax credit under section 42 of
8 the Internal Revenue Code of 1986, as amended, and under chapters
9 235 and 241[+] without the prior approval of the commissioner;
10 provided that the [~~total~~] aggregate amount invested by a bank
11 under this subsection [~~in any one limited partnership, limited~~
12 ~~liability partnership, limited liability company, or corporation]~~
13 shall not[~~, without the prior approval of the commissioner,~~]
14 exceed [~~two~~] fifteen per cent of the bank's capital and surplus
15 [~~and the~~]; provided further that the bank may apply to the
16 commissioner for approval to allow for the aggregate amount
17 invested under this subsection [~~shall not, without the prior~~



1 ~~approval of the commissioner, exceed five]~~ to be no more than
2 twenty per cent of the bank's capital and surplus. If the
3 commissioner does not render a decision on the application within
4 twenty days, the application shall be deemed approved. In no case
5 shall the aggregate amount invested by a bank under this
6 subsection exceed [~~ten~~] twenty per cent of the bank's capital and
7 surplus."

8 SECTION 2. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 3. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect on June 30, 3000.



Report Title:

Affordable Housing; Banks; Assets; Capital and Surplus;
Commissioner of Financial Institutions; Aggregate Investments

Description:

Allows a bank to invest, in aggregate, up to fifteen per cent of the bank's assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties without the approval of the commissioner of financial institutions. Authorizes a bank to apply to the commissioner of financial institutions to invest up to twenty per cent of the bank's assets. Effective 6/30/3000. (HD1)

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

