
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, a bank may invest its
4 own assets in limited partnerships, limited liability
5 partnerships, limited liability companies, or corporations formed
6 to invest in residential properties that will qualify for the low
7 income housing tax credit under section 42 of the Internal Revenue
8 Code of 1986, as amended, and under chapters 235 and 241; provided
9 that the ~~[total amount invested by a bank under this subsection in~~
10 ~~any one limited partnership, limited liability partnership,~~
11 ~~limited liability company, or corporation shall not, without the~~
12 ~~prior approval of the commissioner, exceed two per cent of the~~
13 ~~bank's capital and surplus and the aggregate amount invested under~~
14 ~~this subsection shall not, without the prior approval of the~~
15 ~~commissioner, exceed five per cent of the bank's capital and~~
16 ~~surplus. In no case shall the aggregate amount invested by a bank~~
17 ~~under this subsection exceed ten per cent of the bank's capital~~



1 ~~and surplus.]~~ aggregate amount invested under this subsection
2 shall not exceed two per cent of the bank's total assets without
3 prior approval of the commissioner."

4 SECTION 2. This Act does not affect rights and duties that
5 matured, penalties that were incurred, and proceedings that were
6 begun before its effective date.

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 Statutory material to be repealed is bracketed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.

10

INTRODUCED BY:



JAN 24 2023



H.B. NO. 1236

Report Title:

Affordable Housing; Banks; Assets; Aggregate Investments

Description:

Allows a bank to invest, in aggregate, up to two per cent of the bank's total assets in limited partnerships, limited liability partnerships, limited liability companies, and corporations formed to invest in affordable housing residential properties. Requires approval from the commissioner of financial institutions to exceed this amount.

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