
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; provided that the [~~total amount invested by a bank~~
10 ~~under this subsection in any one limited partnership, limited~~
11 ~~liability partnership, limited liability company, or corporation~~
12 ~~shall not, without the prior approval of the commissioner, exceed~~
13 ~~two per cent of the bank's capital and surplus and the aggregate~~
14 ~~amount invested under this subsection shall not, without the prior~~
15 ~~approval of the commissioner, exceed five per cent of the bank's~~
16 ~~capital and surplus. In no case shall the aggregate amount~~
17 ~~invested by a bank under this subsection exceed ten per cent of~~



1 ~~the bank's capital and surplus.]~~ aggregate amount invested under
2 this subsection shall not exceed two per cent of the bank's total
3 assets without 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 Statutory material to be repealed is bracketed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 June 30, 3000;
10 provided that on June 30, 2025, this Act shall be repealed and
11 section 412:5-305(h), Hawaii Revised Statutes, shall be
12 reenacted in the form in which it read on the day prior to the
13 effective date of this Act.



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. Sunsets 6/30/2025. Effective 6/30/3000. (HD2)

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

