
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 and

12 (2) The qualified person or firm that has entered into a
13 contract with a general contractor or subcontractors
14 [~~whose workforce is~~] ensures that all general
15 contractors and subcontractors working on the project
16 are subject to either:



- 1 (A) A collective bargaining agreement with a bona
- 2 fide labor union for which a section
- 3 201H-36(a) (5) prevailing wage for the laborers
- 4 and mechanics employed for the construction
- 5 project has been approved by the director; or
- 6 (B) A project labor agreement with the group whose
- 7 wages are reflected in the Hawaii prevailing wage
- 8 schedule for which section 201H-36(a) (5)
- 9 prevailing wages for the laborers and mechanics
- 10 employed for the construction project have been
- 11 approved by the director[~~and~~
- 12 ~~(3) The qualified person or firm has received no other~~
- 13 ~~direct or indirect financing for the construction~~
- 14 ~~project from any other governmental contracting~~
- 15 ~~agency, including the Hawaii housing finance and~~
- 16 ~~development corporation]."~~

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

19 "(a) In accordance with section 237-29, the corporation
 20 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,~~] 2035, and developed under a contract described
 5 in section 104-2(i)(2) by a qualified person or firm
 6 to 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]~~ 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. Act 54, Session Laws of Hawaii 2017, as amended
 8 by Act 39, Session Laws of Hawaii 2018, section 4, is amended by
 9 amending section 5 to read as follows:

10 "SECTION 5. This Act shall take effect on July 1, 2017,
 11 and shall be repealed on June 30, [~~2030~~] 2035; provided that

12 (1) Section 3 of this Act shall apply to taxable years
 13 beginning after December 31, 2017, but shall not apply
 14 to projects certified or approved after June 30,
 15 [~~2030~~] 2035; and

16 (2) Section 104-2, Hawaii Revised Statutes, and section
 17 201H-36, Hawaii Revised Statutes, shall be reenacted
 18 in the form in which they read on the day before the
 19 effective date of this Act."

20 SECTION 4. Statutory material to be repealed is bracketed
 21 and stricken. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 3000;
2 provided that this Act, upon its approval, shall apply to
3 taxable years beginning after December 31, 2024.



Report Title:

HHFDC; Taxation; GET; Exemption; Contracts; Prevailing Wage

Description:

Repeals the prohibition of qualified persons or firms from receiving direct or indirect financing for construction projects from any governmental contracting agency as a condition of prevailing wage terms. Extends the Hawaii Housing Finance and Development Corporation approval and certification period in which construction or rehabilitation of certain projects can qualify for general excise tax exemptions. Repeals the limitation of the costs to contracting, including the annual cap on allowable general excise tax and use tax costs applicable to contracting. Effective 7/1/3000. (HD1)

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

