

JAN 17 2025

A BILL FOR AN ACT

RELATING TO COMMUNITY DISTRICTS.

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

PART I

SECTION 1. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART .

COMMUNITY DISTRICTS

ESTABLISHED BY CONCURRENT RESOLUTION

§206E-A Definitions. As used in this part, unless the context otherwise requires:

"Board" means the applicable community district board.

"District" means the applicable community district.

"Fund" means the applicable community special fund.

§206E-B Establishment of community districts by concurrent resolution. (a) Subject to this part, the legislature may establish community districts by concurrent resolution.

(b) The concurrent resolution shall:

(1) Designate the name of the community district;



(2) Clearly designate the boundaries of the community district through tax map key numbers, streets, waterways, or other existing boundaries; and

(3) Establish a date upon which the community district shall be terminated.

§206E-C Community district board; established; members; terms. (a) Each community district that is established under this part shall be:

(1) Placed under the authority and within the department of business, economic development, and tourism for administrative purposes; and

(2) Governed by a board of nine members who shall be residents of the district.

(b) The board shall have the powers and responsibilities that would otherwise be assigned to the authority under section 206E-4, except powers and responsibilities that bear no relation to the district.

(c) The board shall carry out the duties and responsibilities as set forth in this part.

(d) Pursuant to section 92-15, a majority of all members of the board shall constitute a quorum to do business, and the



1 concurrence of a majority of all board members shall be
2 necessary to make any action of the board valid.

3 (e) The nine members of the board shall be elected under
4 applicable law. The term of office of each member shall begin
5 on the day of the election held in conjunction with the general
6 election of the year in which they are elected and ending on the
7 day of the election held in conjunction with the following
8 general election.

9 (f) The board may establish one or more advisory groups,
10 consisting of individuals who are not board members, to advise
11 the board on matters related to this part.

12 **§206E-D State lands within community districts. (a)**

13 After planning for the district is completed, the board shall
14 determine what state-owned lands, if any, shall be transferred
15 to the Hawaii community development authority; provided that
16 lands under the jurisdiction of the department of Hawaiian home
17 lands shall not be transferred.

18 (b) No later than three calendar years prior to the
19 established termination date of the district, the board, the
20 Hawaii community development authority, and any other relevant
21 state agency shall execute a memorandum of agreement specifying:



(1) The manner in which the state-owned lands that were transferred to the Hawaii community development authority under subsection (a) shall be disposed; provided that the disposition shall be effective on the termination date of the district;

(2) Any responsibilities of the Hawaii community development authority after the termination date of the district;

(3) Any responsibilities of the agency to which the land is disposed after the termination date of the district; and

(4) Any other matters deemed relevant by the parties.

§206E-E Board; Hawaii community development authority; relationship. (a) Except as provided in this section, the board shall have sole jurisdiction over the district. The authority shall not have jurisdiction over the district except:

(1) To the extent that the board is administratively placed under the authority; and

(2) As provided in this section.

(b) Employees necessary to carry out the purposes of this part may be employed or retained by the authority.



1 (c) Existing employees of the authority may carry out
2 tasks necessary to carry out the purposes of this part.

3 (d) The authority and the board may enter into a
4 memorandum of agreement to clarify the roles, relationship, and
5 responsibilities of the authority and the board with regard to
6 the district.

7 (e) The board may delegate any tasks or duties to the
8 authority as necessary to carry out the purposes of this part.

9 (f) To the extent applicable, the board shall follow the
10 administrative procedures set forth in part I with respect to
11 public notice and hearings.

12 **§206E-F Community plan.** The board shall create and
13 implement, as expeditiously as possible, a community plan for
14 improving the district, in coordination with all stakeholders,
15 including the applicable county, residents, landowners,
16 charitable organizations, and businesses. The board shall
17 review and may consider all relevant past plans and strategies,
18 and shall be the master coordinator of all federal, state, and
19 county agencies for recovery within the district. To the extent
20 applicable, the board shall follow the administrative procedures
21 set forth in section 206E-5.



1 **§206E-G Community district; guidance policies.** (a) Each
2 member of the board shall have a duty to the district to adopt
3 policies that:

4 (1) Reflect the values, aspirations, and goals of district
5 residents;

6 (2) Increase the number of affordable homes;

7 (3) Encourage a thriving, sustainable business sector that
8 includes tourism;

9 (4) Restore or increase community assets, including
10 schools, parks, gathering places, and ocean-based
11 recreation;

12 (5) Require construction in accordance with fire
13 prevention strategies;

14 (6) Prioritize alternative means of mobility, including
15 pathways, bikeways, public transportation, and other
16 strategies that reduce the dependence on private
17 vehicles and provide redundant travel routes;

18 (7) Address the threat of sea level rise and other climate
19 change impacts through appropriate mitigation
20 strategies, including shoreline setbacks and
21 underground utility placement;



- 1 (8) Preserve major public view planes, view corridors, and
2 landmarks through necessary regulation and design
3 review;
- 4 (9) Comply and are consistent with county plans and
5 zoning, as reflected in any relevant county plan and
6 historic district, as amended;
- 7 (10) Encourage construction of residential units in
8 desirable locations and of the type and cost
9 accessible to the majority of residents;
- 10 (11) Support public facilities that are planned, located,
11 and upgraded to support rebuilding plans and policies
12 for the district;
- 13 (12) Restore and preserve cultural practices, educational
14 assets, and natural resources; and
- 15 (13) When constructing public rights-of-way, give
16 consideration to establishing public street names that
17 are in the Hawaiian language and relate to the area's
18 history, geography, and culture.
- 19 (b) Any policy of the board relating to a special
20 management area shall allow the special management area permit



1 administration for the district to remain under the authority of
2 the applicable county.

3 **§206E-H Board; powers.** Except as otherwise limited by
4 this part the board may:

5 (1) Establish and administer programs for purposes of this
6 part;

7 (2) Make and execute contracts and all other instruments
8 necessary or convenient for the exercise of its powers
9 and functions under this part;

10 (3) Prepare or cause to be prepared a community plan for
11 the district;

12 (4) Acquire, reacquire, or contract to acquire or
13 reacquire, by grant or purchase, real, personal, or
14 mixed property, or any interest therein, and own,
15 hold, clear, improve, rehabilitate, sell, assign,
16 exchange, transfer, convey, lease, or otherwise
17 dispose of or encumber the same;

18 (5) Acquire or reacquire by condemnation real, personal,
19 or mixed property, or any interest therein, for
20 purposes of this part;



- 1 (6) By itself or in partnership with qualified persons
2 acquire, reacquire, construct, reconstruct,
3 rehabilitate, improve, alter, or repair or provide for
4 the construction, reconstruction, improvement,
5 alteration, or repair of any improvement and own,
6 hold, sell, assign, transfer, convey, exchange, lease,
7 or otherwise dispose of or encumber any improvement;
- 8 (7) Arrange or contract for the planning, replanning,
9 opening, grading, or closing of streets, roads,
10 roadways, alleys, or other places, or the furnishing
11 of facilities, or for the acquisition of property or
12 property rights, or for the furnishing of property or
13 services in connection with any project;
- 14 (8) Prepare or cause to be prepared plans, specifications,
15 designs, and estimates of costs for the construction,
16 reconstruction, rehabilitation, improvement,
17 alteration, or repair of any improvement project, and
18 modify the plans, specifications, designs, or
19 estimates of any project;
- 20 (9) Provide or obtain advisory, consultative, training,
21 and educational services, technical assistance, and



1 advice to or from any person, partnership, or
2 corporation, either public or private, to carry out
3 the purposes of this part, and engage the services of
4 consultants on a contractual basis for rendering
5 professional and technical assistance and advice;

6 (10) Procure insurance against any loss in connection with
7 its property and other assets and operations in
8 amounts and from insurers as it deems desirable;

9 (11) Contract for and accept gifts or grants in any form
10 from any public agency or from any other source;

11 (12) Delegate any tasks and duties to the authority
12 necessary to carry out the purposes of this part;

13 (13) Enter into memoranda of agreement with governmental
14 agencies and private parties as necessary to carry out
15 this part;

16 (14) Exercise the power of eminent domain to acquire
17 necessary property interests; provided that the
18 exercise of eminent domain shall only be undertaken to
19 achieve the community master plan; and



(15) Take any and all actions necessary to carry out its purposes and exercise the powers given and granted under this part.

§206E-I Assessment for operating costs. (a) The board may assess all land users, except the federal government, for their fair share of the costs required to administer and operate the district, which may include costs associated with staffing. Assessments shall be based on each land user's proportionate share of the total acreage of the district of the land used versus the total acreage of the district. No land user assessment as provided in this part shall constitute a tax on real property within the meanings of any constitutional or statutory provision.

(b) The assessment shall be set by the board every six years. The assessments shall be paid to the board in semiannual payments commencing thirty days after the beginning of the fiscal year and shall be deposited into the fund.

(c) The board may charge interest or other fees on assessment amounts not paid on a timely basis and may withhold services or approval of governmental permits for land users delinquent in payments.



(d) For the purposes of this section, "land user" includes the owner of land; provided that the landowner may assign the responsibility for payment of assessments to the lessee or licensee of the land.

§206E-J Financial aid from the federal government;
contracts with the federal government. (a) The board may secure financial aid from the federal government for any planning, design, building, construction, and maintenance work under this part.

(b) The board may:

(1) Borrow moneys or accept grants from the federal government in aid of or for any construction project under this part;

(2) Issue bonds or other evidence of indebtedness and pledge revenues and other assets as security for indebtedness incurred under this part;

(3) Repay any indebtedness, including any interest incurred thereon by the board under this part;

(4) Procure insurance or loan guarantees from the federal government for the payment of any debts or parts



thereof secured by mortgages made by or held by the board;

(5) Execute contracts with the federal government in accordance with this part; and

(6) Comply with terms and conditions required by the federal government in any contract or grant for federal assistance.

(c) It is the purpose and intent of this section to authorize the board to do all things necessary to secure the cooperation of and financial aid from the federal government for any planning, design, building, construction, and maintenance work under this part.

§206E-K Community district special fund. (a) The director of finance shall establish a special fund in the state treasury for each community district established under this part, into which shall be deposited:

(1) All revenues, income, and receipts of the board for the district, notwithstanding any other law to the contrary, including section 206E-16;

(2) Moneys directed, allocated, or disbursed to the district from government agencies or private



1 individuals or organizations, including grants, gifts,
2 awards, donations, and assessments of landowners for
3 costs to administer and operate the district; and

4 (3) Moneys appropriated to the fund by the legislature.

5 (b) Moneys in the fund shall be used for purposes of this
6 part.

7 (c) Investment earnings credited to the assets of the fund
8 shall become part of the fund.

9 **§206E-L Annual comprehensive report.** No later than twenty
10 days prior to the convening of each regular session, the
11 authority shall submit to the legislature an annual
12 comprehensive report on the progress of building within the
13 district.

14 **§206E-M Rules.** (a) The board has the power to adopt
15 rules under chapter 91 necessary for the purposes of this part.

16 (b) The board may adopt rules under chapter 91 relating to
17 health, safety, building, planning, zoning, and land use, which,
18 upon final adoption of a community plan, shall supersede all
19 other inconsistent ordinances and rules relating to the use,
20 zoning, planning, and development of land and construction
21 thereon; provided that rules adopted under this subsection shall



1 follow existing laws, rules, and ordinances, as closely as is
2 consistent with standards meeting minimum requirements of good
3 design, pleasant amenities, health, safety, and coordinated
4 development."

5 PART II

6 SECTION 2. The Hawaii Revised Statutes is amended by
7 adding a new chapter to title 2 to be appropriately designated
8 and to read as follows:

9 "CHAPTER

10 COMMUNITY DISTRICT BOARD MEMBERS

11 § -1 Election of community district board members. (a)

12 Members of the community district board shall be elected in
13 conjunction with the general election in every even-numbered
14 year; provided that the first election shall take place in the
15 election cycle following the adoption of the concurrent
16 resolution establishing the community district under
17 section 206E-B.

18 (b) Any person intending to register as a candidate for
19 the election as a community district board member shall submit
20 to an examination under oath by the clerk of the county in which
21 the community district is located. In addition, each candidate



1 shall make and subscribe to an application in the form of an
2 affidavit verifying the candidate's qualifications.

3 (c) The chief election officer shall prepare the
4 nomination papers in a manner that requires a candidate desiring
5 to file for election to the community district board to specify
6 that the candidate resides within the community district.

7 (d) The ballot for the election of board members shall be
8 prepared in a manner that provides each eligible voter residing
9 within the community district the opportunity to cast a ballot
10 for the candidates seeking election to the board. Each ballot
11 shall contain the names of the candidates arranged
12 alphabetically. Each eligible voter shall be entitled to
13 receive the community district board ballot and to vote for all
14 open seats on the board.

15 (e) The cost of the election of the board members shall be
16 borne by the applicable community district special fund
17 established under 206E-K.

18 § -2 **Qualification of voters.** No person shall be
19 eligible to vote for the election of community district board
20 members unless the person is registered to vote in the State
21 under applicable law and resides within the boundaries of the



1 community district established by the concurrent resolution
2 under section 206E-B.

3 § -3 **Qualification of voters; registration.** (a) The
4 term of office of members of the community district board shall
5 be two years, beginning on the day of the election held in
6 conjunction with the general election of the year in which they
7 are elected and ending on the day of the election held in
8 conjunction with the following general election.

9 (b) Any vacancy that may occur through any cause other
10 than the expiration of the term of office shall be filled in
11 accordance with applicable law."

12 SECTION 3. Chapter 17, Hawaii Revised Statutes, is amended
13 by adding a new section to be appropriately designated and to
14 read as follows:

15 "§17- Community district board members. (a) Whenever
16 any vacancy in the membership of the community district board
17 occurs, the term of which ends at the next succeeding general
18 election, the vacancy shall be filled by the governor within
19 sixty days after the vacancy occurs. The person so appointed
20 shall reside within the community district and shall serve for
21 the duration of the unexpired term.



1 (b) All appointments made by the governor under this
2 section shall be made without consideration of the appointee's
3 political party preference or nonpartisanship."

4 SECTION 4. Section 11-357, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) No person shall make contributions to:

7 (1) A candidate seeking nomination or election to a
8 two-year office or to a candidate committee in an
9 aggregate amount greater than \$2,000 during an
10 election period;

11 (2) A candidate seeking nomination or election to a
12 four-year nonstatewide office or to a candidate
13 committee in an aggregate amount greater than \$4,000
14 during an election period; ~~[or]~~

15 (3) A candidate seeking nomination or election to a
16 four-year statewide office or to a candidate committee
17 in an aggregate amount greater than \$6,000 during an
18 election period~~[or]~~; or

19 (4) A candidate seeking nomination or election to a
20 community district board or to a candidate committee



1 in an aggregate amount greater than \$100 during an
2 election period."

3 SECTION 5. Section 12-5, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) Nomination papers for candidates for either branch of
6 the legislature [~~and for~~], county office, and a community
7 district board shall be signed by not less than fifteen
8 registered voters of the district or county or subdivision
9 thereof for which the person nominated is a candidate."

10 SECTION 6. Section 12-6, Hawaii Revised Statutes, is
11 amended by amending subsection (a) and (b) to read as follows:

12 "(a) For members of Congress, state offices, county
13 offices, [~~and~~] the board of trustees for the office of Hawaiian
14 affairs, and a community district board, nomination papers shall
15 be filed with the chief election officer, or clerk in case of
16 county offices, not later than 4:30 p.m. on the first Tuesday in
17 June. However, in the event of a special primary or special
18 election, the filing deadline shall be determined in the
19 proclamation that is issued calling for the election as provided
20 for by state law or county charter. A state candidate from the
21 counties of Hawaii, Maui, and Kauai may file the declaration of



1 candidacy with the respective clerk. The clerk shall transmit
2 to the office of the chief election officer the state
3 candidate's declaration of candidacy without delay.

4 (b) If after the close of filing there are no candidates
5 who have filed nomination papers for an elective office for the
6 primary, special primary, or any special election held in
7 conjunction with the primary election[7] or the general
8 election, the chief election officer or clerk, in the case of a
9 county election, shall accept nomination papers for that office
10 until 4:30 p.m. on the tenth day after the original close of
11 filing."

12 PART III

13 SECTION 7. This Act does not affect rights and duties that
14 matured, penalties that were incurred, and proceedings that were
15 begun before its effective date.

16 SECTION 8. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 9. In codifying the new sections added by
19 section 1 of this Act, the revisor of statutes shall substitute
20 appropriate section numbers for the letters used in designating
21 the new sections in this Act.

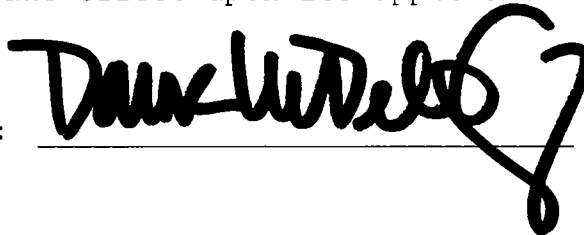


S.B. NO. 1103

1 SECTION 10. This Act shall take effect upon its approval.

2

INTRODUCED BY:





S.B. NO. 1103

Report Title:

Community District; HCDA; Concurrent Resolution

Description:

Establishes a process by which the Legislature may establish community districts by concurrent resolution. Requires the board members of the community districts to be elected by residents of the community district.

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

