

Honolulu, Hawaii
MAR 23 , 2026

RE: S.B. No. 3218
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred S.B. No. 3218, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BONDS,"

begs leave to report as follows:

The purpose of this measure is to conform state law regarding county debt limits to permit counties to exclude housing infrastructure growth bonds from the debt limit of the counties upon ratification of a constitutional amendment authorizing the use of housing infrastructure growth bonds.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority; Stadium Authority; Office of Planning and Sustainable Development; Hawaii Housing Finance and Development Corporation; Hawaii Community Development Authority; one member of the Maui County Council; one member of the Kaua'i County Council; Hawai'i State Association of Counties; Navian Hawaii; Hawai'i Association of REALTORS; Pacific Resource Partnership; D.R. Horton Hawaii; Avalon Development Company LLC; Hawaii Regional Council of Carpenters; Housing Hawai'i's Future; Maui Chamber of Commerce; Land Use Research Foundation of Hawaii; and one individual. Your Committee received comments on this measure from the Department of the Attorney General.



Your Committee finds that Hawaii's housing shortage has underscored the need for new, reliable financing tools to support major infrastructure improvements, such as housing infrastructure growth bonds. Counties cannot implement these tools, however, unless state law is updated to recognize these bonds as an excludable category under Article VII, Section 13, of the Hawaii State Constitution. This measure provides the counties with the legal authority to issue housing infrastructure growth bonds to better address the housing shortage in the State.

Your Committee has amended this measure by:

- (1) Renaming the Tax Increment Financing Act to the Housing Infrastructure Growth Financing Act and substituting the word "tax increment" with "housing infrastructure growth", where applicable, thereby authorizing the counties to implement, issue, and administer housing infrastructure growth bonds;
- (2) Defining "housing infrastructure growth bonds";
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3218, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3218, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Housing,



LUKE A. EVSLIN, Chair



