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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. Section 201H-1, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Qualified person or firm" means an individual,  
5 partnership, joint venture, corporation, association, limited  
6 liability partnership, limited liability company, business,  
7 trust, or any organized group of persons or legal entities, or  
8 any combination thereof, which possesses all professional or  
9 vocational licenses necessary to do business in the state of  
10 Hawaii in conjunction with the planning, design, financing,  
11 construction (including materials and supplies for new  
12 construction, moderate rehabilitation, and substantial  
13 rehabilitation), sale, or rental of eligible housing projects."

14 SECTION 2. Section 237-1, Hawaii Revised Statutes, is  
15 amended by adding a new definition to be appropriately inserted  
16 and to read as follows:

17 "Qualified person or firm" means an individual,  
18 partnership, joint venture, corporation, association, limited



1 liability partnership, limited liability company, business,  
2 trust, or any organized group of persons or legal entities, or  
3 any combination thereof, which possesses all professional or  
4 vocational licenses necessary to do business in the state of  
5 Hawaii in conjunction with the planning, design, financing,  
6 construction (including materials and supplies for new  
7 construction, moderate rehabilitation, and substantial  
8 rehabilitation), sale, or rental of eligible housing projects."

9 SECTION 3. Section 201H-36, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11 "(a) In accordance with section 237-29, the corporation  
12 may approve and certify for exemption from general excise taxes  
13 any qualified person or firm involved with a newly constructed,  
14 or moderately or substantially rehabilitated project:

15 (1) Developed under this part;

16 (2) Developed under a government assistance program  
17 approved by the corporation, including [~~but not~~  
18 ~~limited to~~] the United States Department of  
19 Agriculture 502 program and Federal Housing  
20 Administration 235 program;

21 (3) Developed under the sponsorship of a private nonprofit  
22 organization providing home rehabilitation or new



1 homes for qualified families in need of decent, low-  
2 cost housing; or  
3 (4) Developed by a qualified person or firm to provide  
4 affordable rental housing where at least fifty per  
5 cent of the available units are for households with  
6 gross annual incomes at or below eighty per cent of  
7 the area median family income as determined by the  
8 United States Department of Housing and Urban  
9 Development, of which at least twenty per cent of the  
10 available units are for households with gross annual  
11 incomes at or below sixty per cent of the area median  
12 family income as determined by the United States  
13 Department of Housing and Urban Development [-];  
14 provided that the units of the newly constructed, or moderately  
15 or substantially rehabilitated project are sold or rented to  
16 households that include a qualified resident as defined in  
17 section 201H-32. An exemption from general excise taxes granted  
18 to qualified persons or firms pursuant to this subsection shall  
19 apply to only that portion of income received from households or  
20 projects that meet the residency and gross annual income  
21 requirements set forth in this subsection."



1 SECTION 4. Section 237-29, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§237-29 Exemptions for certified or approved housing  
4 projects. (a) All [~~gross~~] qualifying income received by any  
5 qualified person or firm for the planning, design, financing,  
6 construction, sale, or lease in the [~~State~~] state of a housing  
7 project that has been certified or approved under section 201H-  
8 36 shall be exempt from general excise taxes.

9 (b) All [~~gross~~] qualifying income received by a nonprofit  
10 or a limited distribution mortgagor for a low- and moderate-  
11 income housing project certified or approved under section 201H-  
12 36 shall be exempt from general excise taxes.

13 (c) The director of taxation and the Hawaii housing  
14 finance and development corporation shall adopt rules pursuant  
15 to chapter 91 for the purpose of this section, including any  
16 time limitation for the exemptions."

17 SECTION 5. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

Affordable Housing; GET Exemption; Residency Requirement

**Description:**

Adds a residency requirement for households in a newly constructed or moderately or substantially rehabilitated housing project developed by a qualified person or firm in order for that person or firm to be considered to receive a general excise tax exemption. Effective July 1, 2050. (SB2594 HD1)

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

