
A BILL FOR AN ACT

RELATING TO STATE LEASES.

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

1 SECTION 1. The State has a public interest in improving
2 the economy. The legislature finds that, during times of
3 economic downturn, there are resources the State can use to
4 partner with the private sector to create jobs.

5 The purpose of this Act is to allow the department of land
6 and natural resources and other state agencies that have
7 administrative control over state lands to enter into lease
8 agreements with businesses that are qualified community
9 development entities under the federal New Markets Tax Credit
10 Program.

11 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
12 amended by adding a new section to part I to be appropriately
13 designated and to read as follows:

14 "§171- New Markets Tax Credit Program; lease
15 agreements. (a) The department and any other state agency that
16 administers or holds title to state lands may enter into lease
17 agreements with corporations or partnerships engaged in projects
18 under the federal New Markets Tax Credit Program, pursuant to



1 subtitle C of the Community Renewal Tax Relief Act of 2000 (P.L.
2 106-554) and section 45D of the Internal Revenue Code.

3 (b) The lease rental of any lease agreement entered into
4 pursuant to subsection (a) shall be no more than ten per cent
5 below the prevalent market rate for lands of similar fair market
6 value.

7 (c) In order to enter into a lease agreement pursuant to
8 subsection (a):

9 (1) The corporation or partnership shall be a qualified
10 community development entity, as that term is defined
11 by section 45D(c) (1) of the Internal Revenue Code; and

12 (2) The lease agreement shall be for a project:

13 (A) That is a qualified equity investment, as that
14 term is defined by section 45D(b) (1) of the
15 Internal Revenue Code;

16 (B) For which the corporation or partnership has been
17 awarded an allocation under the New Markets Tax
18 Credit Program;

19 (C) That is valued at no less than \$20,000,000; and

20 (D) For which no less than eighty per cent of the
21 workforce employed to perform construction shall



H.B. NO. 565

1 be comprised of Hawaii residents, as determined
 2 in accordance with section 103B-3(b)."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect on July 1, 2011, and
 5 shall be repealed on December 31, 2012; provided that lease
 6 agreements entered into prior to January 1, 2013, shall continue
 7 at the agreed rate.

8

INTRODUCED BY:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

JAN 21 2011



Report Title:

State Lands; Lease Agreements; New Markets Tax Credit Program

Description:

Allows the DLNR and other agencies with administrative control over state lands to enter into lease agreements with businesses that engage in projects under the New Markets Tax Credit Program. Effective 7/1/11. Sunset 12/31/12.

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

