

1 residential areas which do not have facilities necessary for
2 basic liveability, such as parks and open space; and areas which
3 are planned for extensive land allocation to one, rather than
4 mixed uses.

5 It is further determined that the lack of planning and
6 coordination in such areas has given rise to these community
7 development needs and that existing laws and public and private
8 mechanisms have either proven incapable or inadequate to
9 facilitate timely redevelopment and renewal.

10 The legislature finds that a new and comprehensive
11 authority for community [~~development~~] planning must be created
12 to join the strengths of private enterprise, public development
13 and regulation into a new form capable of long-range planning
14 and implementation of improved [~~community development.~~]
15 communities. The purpose of this chapter is to establish such a
16 mechanism in the Hawaii community [~~development~~] planning
17 authority, a public entity which shall determine community
18 development programs and cooperate with private enterprise and
19 the various components of federal, state, and county governments
20 in bringing plans to fruition. For such areas designated as
21 community development districts[~~7~~] and planning districts, the
22 legislature believes that the planning and implementation



1 program of the Hawaii community [~~development~~] planning authority
2 will result in communities which serve the highest needs and
3 aspirations of Hawaii's people.

4 The legislature further finds that successful planning for
5 growth requires increasing the density of existing and new
6 communities. Well-designed and well-integrated higher-density
7 development can significantly reduce dependency on cars, but
8 those benefits are even greater when jobs and retail are
9 incorporated with the housing. Mixed-use neighborhoods make it
10 easier for people to accomplish several tasks, which reduces the
11 number of car trips, overall parking needs, and our carbon
12 imprint.

13 The legislature finds that the creation of the Hawaii
14 community [~~development~~] planning authority, the establishment of
15 community development districts[7] and planning districts,
16 facilitation of commercial and residential development on land
17 adjacent to public transportation facilities, and the issuance
18 of bonds pursuant to this chapter to finance public facilities
19 serve the public interest and are matters of statewide concern."

20 SECTION 3. Section 206E-4, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§206E-4 Powers; generally. Except as otherwise limited

2 by this chapter, the authority may:

3 (1) Sue and be sued;

4 (2) Have a seal and alter the same at pleasure;

5 (3) Make and execute contracts and all other instruments
6 necessary or convenient for the exercise of its powers

7 and functions under this chapter;

8 (4) Make and alter bylaws for its organization and
9 internal management;

10 (5) Make rules with respect to its projects, operations,
11 properties, and facilities, which rules shall be in
12 conformance with chapter 91;

13 (6) Through its executive director appoint officers,
14 agents, and employees, prescribe their duties and
15 qualifications, and fix their salaries, without regard
16 to chapter 76;

17 (7) Prepare or cause to be prepared a community
18 development plan for all designated community
19 development districts[7] and planning districts;

20 (8) Acquire, reacquire, or contract to acquire or
21 reacquire by grant or purchase real, personal, or
22 mixed property or any interest therein; to own, hold,



1 clear, improve, and rehabilitate, and to sell, assign,
2 exchange, transfer, convey, lease, or otherwise
3 dispose of or encumber the same;

4 (9) Acquire or reacquire by condemnation real, personal,
5 or mixed property or any interest therein for public
6 facilities, including but not limited to streets,
7 sidewalks, parks, schools, and other public
8 improvements;

9 (10) By itself, or in partnership with qualified persons,
10 acquire, reacquire, construct, reconstruct,
11 rehabilitate, improve, alter, or repair or provide for
12 the construction, reconstruction, improvement,
13 alteration, or repair of any project; own, hold, sell,
14 assign, transfer, convey, exchange, lease, or
15 otherwise dispose of or encumber any project, and in
16 the case of the sale of any project, accept a purchase
17 money mortgage in connection therewith; and repurchase
18 or otherwise acquire any project which the authority
19 has theretofore sold or otherwise conveyed,
20 transferred, or disposed of;

21 (11) Arrange or contract for the planning, replanning,
22 opening, grading, or closing of streets, roads,



- 1 roadway, alleys, or other places, or for the
2 furnishing of facilities or for the acquisition of
3 property or property rights or for the furnishing of
4 property or services in connection with a project;
- 5 (12) Grant options to purchase any project or to renew any
6 lease entered into by it in connection with any of its
7 projects, on such terms and conditions as it deems
8 advisable;
- 9 (13) Prepare or cause to be prepared plans, specifications,
10 designs, and estimates of costs for the construction,
11 reconstruction, rehabilitation, improvement,
12 alteration, or repair of any project, and from time to
13 time to modify such plans, specifications, designs, or
14 estimates;
- 15 (14) Provide advisory, consultative, training, and
16 educational services, technical assistance, and advice
17 to any person, partnership, or corporation, either
18 public or private, to carry out the purposes of this
19 chapter, and engage the services of consultants on a
20 contractual basis for rendering professional and
21 technical assistance and advice;



- 1 (15) Procure insurance against any loss in connection with
2 its property and other assets and operations in such
3 amounts and from such insurers as it deems desirable;
- 4 (16) Contract for and accept gifts or grants in any form
5 from any public agency or from any other source;
- 6 (17) Do any and all things necessary to carry out its
7 purposes and exercise the powers given and granted in
8 this chapter;
- 9 (18) Allow satisfaction of any affordable housing
10 requirements imposed by the authority upon any
11 proposed development project through the construction
12 of reserved housing, as defined in section 206E-101,
13 by a person on land located outside the geographic
14 boundaries of the authority's jurisdiction; provided
15 that the authority shall not permit any person to make
16 cash payments in lieu of providing reserved housing,
17 except to account for any fractional unit that results
18 after calculating the percentage requirement against
19 residential floor space or total number of units
20 developed. The substituted housing shall be located
21 on the same island as the development project and
22 shall be substantially equal in value to the required



1 reserved housing units that were to be developed on
2 site. The authority shall establish the following
3 priority in the development of reserved housing:

- 4 (A) Within the community development district;
5 (B) Within areas immediately surrounding the
6 community development district;
7 (C) Areas within the central urban core;
8 (D) In outlying areas within the same island as the
9 development project.

10 The Hawaii community [~~development~~] planning
11 authority shall adopt rules relating to the approval
12 of reserved housing that are developed outside of a
13 community development district. The rules shall
14 include, but are not limited to, the establishment of
15 guidelines to ensure compliance with the above
16 priorities; and

- 17 (19) Assist the public land development corporation
18 established by section 171C-3 in identifying public
19 lands that may be suitable for development, carrying
20 on marketing analysis to determine the best revenue-
21 generating programs for the public lands identified,
22 entering into public-private agreements to



1 appropriately develop the public lands identified, and
2 providing the leadership for the development,
3 financing, improvement, or enhancement of the selected
4 development opportunities; provided that no assistance
5 shall be provided unless the authority authorizes the
6 assistance."

7 SECTION 4. Section 206E-5.5, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The authority shall adopt community and public notice
10 procedures pursuant to chapter 91 that shall include at a
11 minimum:

12 (1) A means to effectively engage the community in which
13 the authority is planning a development project to
14 ensure that community concerns are received and
15 considered by the authority;

16 (2) The posting of the authority's proposed plans for
17 development of community development districts[7] and
18 planning districts, public hearing notices, and
19 minutes of its proceedings on the authority's website;
20 and



1 (3) Any other information that the public may find useful
2 so that it may meaningfully participate in the
3 authority's decision-making processes."

4 SECTION 5. Section 206E-7, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[+]§206E-7[+] **Community development rules.** The authority
7 shall establish community development rules under chapter 91 on
8 health, safety, building, planning, zoning, and land use which,
9 upon final adoption of a community development plan[7] or
10 exceptional planning project, as appropriate, shall supersede
11 all other inconsistent ordinances and rules relating to the use,
12 zoning, planning, and development of land and construction
13 thereon. Rules adopted under this section shall follow existing
14 law, rules, ordinances, and regulations as closely as is
15 consistent with standards meeting minimum requirements of good
16 design, pleasant amenities, health, safety, and coordinated
17 development. The authority may, in the community development
18 plan or exceptional planning project or by a community
19 development rule[7] or exceptional planning project provide that
20 lands within a community development district or planning
21 district, as appropriate, shall not be developed beyond existing
22 uses or that improvements thereon shall not be demolished or



1 substantially reconstructed, or provide other restrictions on
2 the use of the lands."

3 SECTION 6. Section 206E-8, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) Any provision of chapter 171 to the contrary
6 notwithstanding, the governor may set aside public lands located
7 within community development districts or planning districts to
8 the authority for its use."

9 SECTION 7. Section 206E-8.5, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Notwithstanding chapter 205A, all requests for
12 developments within a special management area and shoreline
13 setback variances for developments on any lands within a
14 community development district [7] or planning district for which
15 a community development plan or exceptional planning project has
16 been developed and approved in accordance with section 206E-5 [7]
17 or 46-C, respectively shall be submitted to and reviewed by the
18 lead agency as defined in chapter 205A. In community
19 development districts or planning districts for which a
20 community development plan or exceptional planning project, as
21 appropriate, has not been developed and approved in accordance
22 with section 206E-5 [7] or 46-C, respectively, parts II and III



1 of chapter 205A shall continue to be administered by the
2 applicable county authority until a community development plan
3 or exceptional planning project, as appropriate, for the
4 district takes effect."

5 SECTION 8. Section 206E-10, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[~~§~~206E-10~~§~~] **Condemnation of real property.** The
8 authority upon making a finding that it is necessary to acquire
9 any real property for its immediate or future use for the
10 purposes of this chapter, may acquire the property by
11 condemnation pursuant to chapter 101, including property already
12 devoted to a public use. Such property shall not thereafter be
13 taken for any other public use without the consent of the
14 authority. No award of compensation shall be increased by
15 reason of any increase in the value of real property caused by
16 the designation of a community development district or planning
17 district or plan adopted pursuant to [a] either designation, or
18 the actual or proposed acquisition, use or disposition of any
19 other real property by the authority."

20 SECTION 9. Sections 26-18, 46-102, 171-2, 206E-2, 206E-3,
21 206E-15, 206E-34, 206E-101, 206E-191, and 514A-14.5, Hawaii
22 Revised Statutes, are amended by substituting the term "Hawaii



1 community planning authority" wherever the term "Hawaii
2 community development authority" appears, as the context
3 requires.

4 SECTION 10. Sections 206E-6, 206E-16, 206E-184, and
5 206E-185, Hawaii Revised Statutes, are amended by substituting
6 the term "Hawaii community planning revolving fund" wherever the
7 term "Hawaii community development revolving fund" appears, as
8 the context requires.

9 **PART II**

10 SECTION 11. Chapter 46, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 **"PART . PLANNING DISTRICTS**

14 **§46-A Definitions.** As used in this part, unless otherwise
15 indicated by the context:

16 "Action" or "action taken" means approval, approval with
17 modification, or disapproval.

18 "Application" means the preliminary plans and
19 specifications for a development project and includes materials,
20 such as plans, information, or specifications, submitted to a
21 planning agency at the request of the agency. A planning agency
22 may adopt rules pursuant to chapter 91 to further specify



1 materials that shall be deemed part of an application for
2 purposes of this part.

3 "Exceptional planning project" or "project" means the
4 planning, financing, and acquisition of real and personal
5 property; demolition of existing structures and clearance of
6 real property; construction, reconstruction, alteration, or
7 repairing of approaches, streets, sidewalks, utilities, and
8 services, or other site improvements; construction,
9 reconstruction, repair, remodeling, extension, equipment, or
10 furnishing of buildings or other structures; any combination of
11 the foregoing with respect to any residential or commercial
12 project located wholly within a planning district; and any and
13 all undertakings necessary for any of the foregoing.

14 "Exceptional planning project" shall not include any of the
15 foregoing activities with respect to any residential or
16 commercial project not located wholly within a planning
17 district.

18 "Legislative body" means the legislative body of the county
19 to which a qualified developer submits an application or final
20 plans and specifications for a development project.



1 "Planning agency" or "agency" means the planning agency of
2 a county to which a qualified developer submits an application
3 for a development project.

4 "Program" means the transit-oriented development program
5 pursuant to section 46-F, as made applicable to a county through
6 adoption by the county.

7 "Qualified developer" means a person, corporation,
8 organization, partnership, association, or other legal entity
9 that is:

- 10 (1) Licensed to do business in the State; and
- 11 (2) Bonded in an amount to be determined by the respective
12 legislative body of each county.

13 **§46-B Planning districts.** There are established planning
14 districts that shall consist of:

- 15 (1) An area within a one-half-mile radius from all county-
16 designated rail transit stations;
- 17 (2) An area within a one-quarter-mile radius from all
18 county-designated bus transit centers;
- 19 (3) The area between the two county-designated rail
20 transit stations located nearest to the Honolulu
21 International Airport; or



1 (4) A main-street redevelopment project suitable for
2 development by community financed projects or business
3 improvement districts, as designated by the Hawaii
4 community planning authority subject to the approval
5 of the legislature.

6 The land use commission shall classify or reclassify all
7 planning districts as an urban district under section 205-2.

8 **§46-C Exceptional planning projects; application by**
9 **developer; review.** A qualified developer may submit to the
10 planning agency an application for approval of a commercial or
11 residential exceptional planning project within a planning
12 district. The application shall include a transit ridership
13 study that shall demonstrate the need for development within the
14 proposed area due to population density standards. Upon receipt
15 of the application, the planning agency shall review the
16 application and secure any additional information that the
17 agency deems necessary for the purpose of taking action. The
18 planning agency shall take action within forty-five days of
19 receipt of the application; provided that the time to take
20 action may be extended up to fifteen days for good cause.
21 Within ten days, the planning agency shall notify the developer
22 of the action taken.



1 (b) The planning agency shall forward the application with
2 its action to the legislative body. The legislative body may
3 disapprove an application by a resolution within forty-five days
4 from the date the qualified developer submits the application to
5 the planning agency. If on the forty-sixth day the application
6 is not disapproved by a resolution, it shall be deemed to have
7 been approved by the legislative body; provided that no
8 application shall be deemed approved if the exceptional planning
9 project:

- 10 (1) Is not to be performed by contractors or
11 subcontractors licensed pursuant to chapter 444; or
12 (2) Contravenes any safety standards, tariffs, or rates
13 and fees approved by the public utilities commission
14 for public utilities or of any board of water supply
15 authorized under chapter 54.

16 **§46-D Indemnity.** No action shall be prosecuted or
17 maintained against any county, its officials, or employees on
18 account of actions taken by them in reviewing, approving,
19 modifying, or disapproving the application or plans and
20 specifications of a development project.

21 **§46-E Use of unlicensed contractor or subcontractor;**
22 **penalty.** (a) No unlicensed contractor or subcontractor shall



1 work on any exceptional planning project authorized under this
2 part. A developer shall be fined not more than \$10,000 for each
3 separate offense under this section. Each date of violation
4 shall constitute a separate offense. The attorney general and
5 the director of labor and industrial relations may bring an
6 action pursuant to this section.

7 (b) The penalties provided in this section shall be
8 cumulative to the remedies or penalties available under all laws
9 of this State.

10 **§46-F County transit-oriented development program. (a)**
11 Any county with a planning district may establish a county
12 transit-oriented development program. The program shall include
13 community-based planning for transit-oriented development,
14 strategies for infrastructure upgrades to support development
15 and redevelopment, and minimum urban design and site plan
16 guidelines.

17 (b) In developing its program, the county shall consider
18 establishing minimum eligibility criteria for exceptional
19 planning projects, including but not limited to:

- 20 (1) Minimum and maximum project sizes;
21 (2) Requiring a mix of commercial and residential uses;
22 (3) If the project is near a rail transit station:



- 1 (A) The commercial portion of the project shall
2 provide at least an equivalent of sixty employees
3 per acre or greater;
- 4 (B) The residential portion of the project shall
5 provide a minimum of fifty per cent of the units
6 be occupied by households with incomes between
7 sixty per cent and one hundred per cent of
8 adjusted median income, as defined by the
9 Department of Housing and Urban Development;
- 10 (C) It may propose a parking ratio of twenty-five per
11 cent below any existing required ratio, and a
12 maximum cap on the total number of parking spaces
13 or propose a centralized public or private
14 parking structure;
- 15 (4) If the project is near a bus transit station:
- 16 (A) The commercial portion of the project shall
17 provide at least an equivalent of thirty
18 employees per acre or greater;
- 19 (B) The residential portion of the project shall
20 provide a minimum of thirty per cent of the units
21 be occupied by households with incomes between
22 sixty per cent and one hundred per cent of



1 (b) Whenever possible, planning activities of the
2 authority shall be coordinated with federal, state, and county
3 plans. Consideration shall be given to state goals and
4 policies, adopted state plan or land use guidance policies,
5 county general plans, development plans, and ordinances.

6 (c) The authority may amend the planning district, or
7 exceptional planning project approved by the legislative body,
8 as may be necessary. Amendments shall be made in accordance
9 with chapter 91.

10 (d) The authority shall adopt rules pursuant to chapter 91
11 necessary to carry out the purposes of this section.

12 **§206E-B Conditions for the transfer of density rights.** In
13 addition to any existing power, duty, and authority, the
14 authority is hereby authorized to transfer and regulate the
15 transfer of density rights, subject to the conditions set forth
16 under this part, as well other conditions the authority deems
17 necessary and appropriate. The purpose of providing for
18 transfer of density rights shall be to:

19 (1) Protect the natural, scenic, and agricultural
20 qualities of open lands;



- 1 (2) Enhance sites and areas of special character or
- 2 special historical, cultural, aesthetic, or economic
- 3 interest or value;
- 4 (3) Provide an instrument whereby landowners who choose to
- 5 participate in land preservation can share in the
- 6 economic benefits created through development;
- 7 (4) Direct growth to areas suitable for urban development
- 8 based on the capacity of existing infrastructure and
- 9 public facility systems, the cost effectiveness of
- 10 providing new infrastructure and public facility
- 11 systems, the proximity to employment centers, and
- 12 favorable conditions including topography and freedom
- 13 from natural hazards and environmental constraints;
- 14 and
- 15 (5) Enable and encourage flexibility of design and careful
- 16 management of land in recognition of land as a basic
- 17 and valuable natural resource.

18 **§206E-C Transfer of density rights; general**

19 **authorizations.** The authority may provide for the transfer of

20 density rights by adopting rules, in accordance with chapter 91,

21 to establish a procedure for the transfer. The rules shall

22 provide, without limitation, for the following:



- 1 (1) The transfer of density rights to and from the
2 authority;
- 3 (2) The transfer of density rights shall be established
4 within the framework of the long-range, comprehensive
5 general plan of the county;
- 6 (3) The receiving entity, to which transfer of density
7 rights is authorized, shall be found by the authority,
8 after evaluating the effects of the potential
9 increased development, to contain adequate resources
10 and public facilities to ensure that the increased
11 density will be compatible with the development
12 otherwise permitted by the county or authority;
- 13 (4) Sending entities and receiving entities shall be
14 designated and mapped, and the procedure for the
15 transfer of density rights shall be specified; and
- 16 (5) The density rights may be sold in the normal market or
17 through a density rights bank established by the
18 authority in which density rights may be retained and
19 sold by the authority.

20 §206E-D Transfer of density rights instruments. The
21 authority shall establish a standard instrument to document
22 density rights that have been transferred to and from the



1 authority. A density right that is transferred is an interest
2 in real property evidenced by the transfer of a density right
3 instrument issued by the authority and recorded pursuant to
4 section 502-31.

5 §206E-E Business improvement districts. (a) The
6 authority may authorize the creation of business improvement
7 districts, and amend the district boundaries from time to time,
8 for the purpose of providing and financing supplemental
9 maintenance and security services and other improvements,
10 services, and facilities within the business improvement
11 district as the authority determines will restore or promote
12 business activity in the business improvement district.

13 (b) The authority shall adopt rules pursuant to chapter 91
14 to establish the criteria for creating and amending business
15 improvement districts.

16 (c) The authority may levy and assess _____ per cent of
17 the general excise tax as a special assessment on property
18 located within the business improvement district to finance the
19 maintenance and operation of the business improvement district
20 and improvements within the business improvement district.

21 Notwithstanding any law to the contrary, in assessing property
22 for a special assessment, the authority may implement a



1 methodology as the authority deems appropriate. When all
2 improvements have been fully executed within the business
3 improvement district or the district ceases to exist, the
4 special assessment shall no longer be assessed.

5 (d) The special assessments levied pursuant to the
6 authorizing of the creation of business improvement districts
7 and this section shall be a lien upon the property assessed.
8 The lien shall have priority over all other liens except the
9 lien of general real property taxes.

10 **§206E-F Community facilities district.** (a) The authority
11 may authorize the creation of community facilities districts to
12 finance the acquisition, planning, design, construction,
13 installation, improvement, or rehabilitation of any real
14 property or structure with a useful life. Special improvements
15 may be physically located within or outside a district and may
16 benefit land within or outside the district. Special
17 improvements which may be financed by a district include, but
18 are not limited to, the following:

19 (1) Streets, roads, highways, bikeways, pedestrian malls,
20 sidewalks, or alleyways, including grading, paving, or
21 otherwise improving the foregoing;

22 (2) Public parking facilities;



- 1 (3) Lighting systems, including traffic signals, for any
2 public right-of-way;
- 3 (4) Local park, recreation, child care, parkway, and open-
4 space facilities;
- 5 (5) Libraries, museums, and other cultural facilities;
- 6 (6) The undergrounding of natural gas pipeline facilities,
7 telephone lines, facilities for the transmission or
8 distribution of electrical energy, cable television
9 lines, and other utility facilities. The authority
10 may enter into an agreement with a public utility to
11 utilize those facilities to provide a particular
12 service and for the conveyance of those facilities to
13 the public utility. If the facilities are conveyed to
14 the public utility, the agreement may provide for a
15 refund by the public utility to the district for the
16 cost of the facilities. Any reimbursement made to the
17 district shall be utilized to reduce the special tax
18 levied within the district or construct or acquire
19 additional special improvements within the district,
20 as specified in the rules. For the purpose of this
21 paragraph only, a cable television company shall be
22 deemed a "public utility";



- 1 (7) Water systems;
- 2 (8) Police, criminal justice, fire suppression, and
3 paramedic facilities;
- 4 (9) Wastewater, storm drainage, sewage removal or
5 treatment, solid waste disposal, and recycling or
6 resource recovery systems or facilities;
- 7 (10) Transit or transportation systems;
- 8 (11) Telecommunications systems; and
- 9 (12) Any other facilities which the authority is authorized
10 by law to contribute revenue to or construct, own,
11 maintain, or operate.

12 (b) The authority shall adopt rules pursuant to chapter 91
13 to establish the criteria for creating and amending community
14 facilities districts.

15 (c) The authority may levy and assess per cent of
16 the general excise tax as a special assessment on property
17 located within the community facilities district to finance the
18 maintenance and operation of the community facilities district
19 and improvements within the community facilities district.

20 Notwithstanding any law to the contrary, in assessing property
21 for a special assessment, the authority may implement a
22 methodology as the authority deems appropriate. When all



1 improvements have been fully executed within the community
2 facilities district or the district ceases to exist, the special
3 assessment shall no longer be assessed.

4 (d) The special assessments levied pursuant to the
5 authorizing of the creation of community facilities districts
6 and this section shall be a lien upon the property assessed.
7 The lien shall have priority over all other liens except the
8 lien of general real property taxes."

9 SECTION 13. Section 206E-2, Hawaii Revised Statutes, is
10 amended by adding two new definitions to be appropriately
11 inserted and to read as follows:

12 "Exceptional planning project" shall have the same meaning
13 as in section 46-A.

14 "Planning district" means all areas established as planning
15 districts pursuant to section 46-B."

16 SECTION 14. Section 206E-151, Hawaii Revised Statutes, is
17 amended to read as follows:

18 **"§206E-151 Findings and declarations.** The legislature
19 finds and declares that the health, safety, and general welfare
20 of the people of the State require that every opportunity be
21 taken to assist the redevelopment of community development
22 districts[+] and development of planning districts; that the



1 development, redevelopment, and revitalization of these
2 districts will alleviate community needs for employment,
3 housing, parks, open space, and commercial and industrial
4 facilities; that a significant deterrent [~~to redevelopment~~] is
5 the cost of public facilities; that interest rates on moneys
6 necessary to finance such public facilities add significantly to
7 the cost of such facilities and that more favorable interest
8 rates would be available through the issuance of tax-exempt
9 bonds; and that the availability of revenue bonds to finance the
10 cost of public facilities will facilitate redevelopment of
11 community development districts.

12 The legislature further finds that the powers conferred,
13 the issuance of revenue bonds, and the expenditure of public
14 moneys under this part constitute a serving of a valid public
15 purpose, and that this enactment is in the public interest and
16 is so declared as an express legislative determination."

17 SECTION 15. Section 206E-154, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) The revenue bonds shall be payable from and secured
20 by [~~the~~]:

21 (1) The revenues derived from the public facility for
22 which the revenue bonds are issued, including revenue



1 derived from insurance proceeds and reserve accounts
2 and earnings thereon[-]; or
3 (2) General excise tax revenues allocated to the authority
4 pursuant to section 237-31; provided that payment is
5 made in accordance with section 206E-157."

6 SECTION 16. Section 206E-157, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§206E-157 Revenue bonds; special funds.** (a) A separate
9 special fund shall be established for each public facility
10 financed from the proceeds of the revenue bonds secured under
11 the same trust indenture. Each fund shall be designated "public
12 facility revenue bond special fund" and shall bear additional
13 designation as the authority deems appropriate to properly
14 identify the fund.

15 (b) Notwithstanding any other law to the contrary,
16 including particularly section 206E-16, all revenues, income,
17 and receipts derived from the public facility for which the
18 revenue bonds are issued and shall be paid into the public
19 facility revenue bond fund established for that public facility
20 and applied as provided in the proceedings authorizing the
21 issuance of the revenue bonds.



1 (c) A separate subaccount shall be established for each
2 planning district designated by the authority. Each subaccount
3 shall be designated "planning district subaccount" and shall
4 bear additional designations as the authority deems appropriate
5 to properly identify the fund.

6 Notwithstanding any provision of this chapter to the
7 contrary, general excise tax revenues allocated to the authority
8 under section 237-31 shall be deposited into the separate
9 subaccount established for the planning district where the
10 revenue was collected and applied solely for the payment of
11 principal and interest on bonds associated with projects located
12 in that planning district."

13 SECTION 17. Section 237-31, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§237-31 Remittances.** All remittances of taxes imposed by
16 this chapter shall be made by money, bank draft, check,
17 cashier's check, money order, or certificate of deposit to the
18 office of the department of taxation to which the return was
19 transmitted. The department shall issue its receipts therefor
20 to the taxpayer and shall pay the moneys into the state treasury
21 as a state realization, to be kept and accounted for as provided
22 by law; provided that:



- 1 (1) The sum from all general excise tax revenues realized
2 by the State that represents the difference between
3 \$45,000,000 and the proceeds from the sale of any
4 general obligation bonds authorized for that fiscal
5 year for the purposes of the state educational
6 facilities improvement special fund shall be deposited
7 in the state treasury in each fiscal year to the
8 credit of the state educational facilities improvement
9 special fund;
- 10 (2) A sum, not to exceed \$5,000,000, from all general
11 excise tax revenues realized by the State shall be
12 deposited in the state treasury in each fiscal year to
13 the credit of the compound interest bond reserve fund;
14 [and]
- 15 (3) A sum from all general excise tax revenues realized by
16 the State that is equal to one-half of the total
17 amount of funds appropriated or transferred out of the
18 hurricane reserve trust fund under sections 4 and 5 of
19 Act 62, Session Laws of Hawaii 2011, shall be
20 deposited into the hurricane reserve trust fund in
21 fiscal year 2013-2014 and in fiscal year 2014-2015;



1 provided that the deposit required in each fiscal year
2 shall be made by October 1 of that fiscal year[-]; and
3 (4) per cent of general excise tax revenues realized
4 by the State from a planning district shall be
5 deposited into the separate subaccount established for
6 that planning district pursuant to section 206E-157."

7 **PART IV**

8 SECTION 18. Section 46-142, Hawaii Revised Statutes, is
9 amended to read as follows:

10 **"§46-142 Authority to impose impact fees; enactment of**
11 **ordinances required[-]; exemption.** (a) Impact fees may be
12 assessed, imposed, levied, and collected by:

- 13 (1) Any county for any development, or portion thereof,
14 not involving water supply or service; or
15 (2) Any board for any development, or portion thereof,
16 involving water supply or service;

17 provided that the county enacts appropriate impact fee
18 ordinances or the board adopts rules to effectuate the
19 imposition and collection of the fees within their respective
20 jurisdictions.

21 (b) Except for any ordinance governing impact fees enacted
22 before July 1, 1993, impact fees may be imposed only for those



1 types of public facility capital improvements specifically
2 identified in a county comprehensive plan or a facility needs
3 assessment study. The plan or study shall specify the service
4 standards for each type of facility subject to an impact fee;
5 provided that the standards shall apply equally to existing and
6 new public facilities.

7 (c) The Hawaii community planning authority may grant an
8 exemption from this part if it so finds that there is sufficient
9 justification by rules established pursuant to section 206E-4."

10 **PART V**

11 SECTION 19. In codifying the new sections added by
12 sections 11 and 12 of this Act, the revisor of statutes shall
13 substitute appropriate section numbers for the letters used in
14 designating the new sections in this Act.

15 SECTION 20. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 21. This Act shall take effect upon its approval.



Report Title:

Hawaii Community Planning Authority; Planning Districts

Description:

Changes the Hawaii community development authority to the Hawaii community planning authority. Creates a process for developers to apply for residential and commercial planning projects. Allocates general excise tax revenues collected within a planning district to be used by the authority to pay principal and interest on bonds associated with projects located in a planning district. Allows the authority to waive impact fees. Authorizes the authority to create business improvement districts and community facilities districts and assess a special assessment to fund the improvements within those districts. Authorizes the authority to act as a density rights bank and transfer a property's density rights to a receiving entity or from a sending authority to increase development in that area as authorized by the authority. (Proposed SD1)

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

