

# TAX FOUNDATION OF HAWAII

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**SUBJECT:** MISCELLANEOUS, Land-Based Financing for Counties

**BILL NUMBER:** SB 3057

**INTRODUCED BY:** K. KAHELE, S. CHANG, DELA CRUZ, GALUTERIA, INOUYE, KIDANI, Wakai

**EXECUTIVE SUMMARY:** Expands the authority of counties to use land-based financing to support operating costs for certain county services provided within improvement districts and community facilities districts. Adds county maintenance of the capital improvements to be land-based financed. Authorizes counties to use up to \_\_\_% of the assessment or tax revenues to cover administrative expenses in creating and administering the district and the associated assessments, fees, and taxes.

**SYNOPSIS:** Amends section 46-80, HRS, to give the counties authority to enact ordinances providing for operating expenses for county services, and to issue bonds to fund capital facilities to be used in providing county services. Provides that a county may apply up to \_\_\_% of the assessments or tax revenues to cover the administrative expenses of the counties in creating and administering an improvement district and the associated assessments, fees, and taxes.

**EFFECTIVE DATE:** Upon approval.

**STAFF COMMENTS:** Under existing law, the counties are authorized to create improvement districts and community facilities districts to finance special improvements, such as city halls and sports arenas.

Some mainland jurisdictions use land-secured financing to fund infrastructure and other improvements. We don't do much of it here in Hawaii. This bill could present an opportunity for counties to explore alternative financing means (as compared to begging the State for TAT money year after year).

Digested 1/31/2018