

JAN 23 2020

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. Section 201H-36, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) In accordance with section 237-29, the corporation
4 may approve and certify for exemption from general excise taxes
5 any qualified person or firm involved with a newly constructed,
6 or a moderately or substantially rehabilitated, project that is:

7 (1) Developed under this part;

8 (2) Developed under a government assistance program
9 approved by the corporation, including but not limited
10 to the United States Department of Agriculture's
11 section 502 direct loan program and Federal Housing
12 Administration's section 235 program;

13 (3) Developed under the sponsorship of a private nonprofit
14 organization providing home rehabilitation or new
15 homes for qualified families in need of decent, low-
16 cost housing;



1 (4) Developed by a qualified person or firm to provide
2 affordable rental housing where at least fifty per
3 cent of the available units are for households with
4 incomes at or below eighty per cent of the area median
5 family income as determined by the United States
6 Department of Housing and Urban Development, of which
7 at least twenty per cent of the available units are
8 for households with incomes at or below sixty per cent
9 of the area median family income as determined by the
10 United States Department of Housing and Urban
11 Development; or

12 (5) Approved or certified from July 1, 2018, to June 30,
13 2030, and developed under a contract described in
14 section 104-2(i)(2) by a qualified person or firm to
15 provide affordable rental housing through new
16 construction or substantial rehabilitation; provided
17 that:

18 (A) The allowable general excise tax and use tax
19 costs [~~shall apply to contracting only and~~] shall
20 not exceed \$30,000,000 per year in the aggregate



1 for all projects approved and certified by the
2 corporation; and
3 (B) All available units are for households with
4 incomes at or below one hundred forty per cent of
5 the area median family income as determined by
6 the United States Department of Housing and Urban
7 Development, of which at least twenty per cent of
8 the available units are for households with
9 incomes at or below eighty per cent of the area
10 median family income as determined by the United
11 States Department of Housing and Urban
12 Development; provided that an owner shall not
13 refuse to lease a unit solely because the
14 applicant holds a voucher or certificate of
15 eligibility under section 8 of the United States
16 Housing Act of 1937, as amended."

17 SECTION 2. Section 104-2, Hawaii Revised Statutes, is
18 amended by amending subsection (i) to read as follows:

19 "(i) The terms of section 201H-36(a)(5) prevailing wages
20 shall be deemed the prevailing wages serving as the basis of
21 compliance with this chapter for work on the project when:



- 1 (1) The Hawaii housing finance and development corporation
2 has approved and certified a qualified person or firm
3 involved with a newly constructed, or moderately or
4 substantially rehabilitated project under section
5 201H-36(a)(5) for exemption from general excise taxes;
- 6 (2) The qualified person or firm has entered into a
7 contract with a general contractor or subcontractors
8 whose workforce is subject to either:
- 9 (A) A collective bargaining agreement with a bona
10 fide labor union for which a section
11 201H-36(a)(5) prevailing wage for the laborers
12 and mechanics employed for the construction
13 project has been approved by the director; or
- 14 (B) A project labor agreement with the group whose
15 wages are reflected in the Hawaii prevailing wage
16 schedule for which section 201H-36(a)(5)
17 prevailing wages for the laborers and mechanics
18 employed for the construction project have been
19 approved by the director; and
- 20 (3) The qualified person or firm has received no other
21 direct or indirect financing for the construction



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1 project from any other governmental contracting
2 agency[7] of the State, including the Hawaii housing
3 finance and development corporation."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2020.

7

INTRODUCED BY: 



S.B. NO. 3138

Report Title:

Rental Housing Projects; General Excise Tax Exemption;
Prevailing Wages; HHFDC

Description:

Removes limit on costs eligible for exemption from general excise tax for development costs of affordable rental housing certified by the Hawaii housing finance and development corporation.

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