
A BILL FOR AN ACT

RELATING TO HISTORIC AND CULTURAL PRESERVATION.

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

1 PART I

2 SECTION 1. The Hawaii Revised Statutes is amended by
3 adding a new chapter to be appropriately designated and to read
4 as follows:

5 "CHAPTER

6 CULTURAL CORRIDOR AUTHORITY

7 PART I. GENERAL PROVISIONS

8 § -1 **Findings and purpose.** The legislature finds that
9 areas of the State affected by disaster often require
10 substantial and immediate attention directed towards recovery,
11 remediation, and preservation prior to the initiation of any
12 redevelopment. The purpose of this chapter is to establish the
13 cultural corridor authority, a public entity that shall
14 determine a shared vision of a path forward for areas of the
15 State affected by disaster. The shared vision should focus on
16 community, historic, and cultural preservation, with cooperation
17 among members of the affected community, private enterprise, and



1 the various components of federal, state, and county governments
2 in bringing mutually agreed upon redevelopment plans to
3 fruition.

4 The legislature finds that the creation of the cultural
5 corridor authority, the establishment of cultural corridor
6 districts, and authority to issue bonds pursuant to this chapter
7 to finance public facilities within designated districts serve
8 the public interest and are matters of statewide concern.

9 § -2 **Definitions.** As used in this chapter, the
10 following terms have the following meanings, unless the context
11 indicates a different meaning or intent:

12 "Authority" means the cultural corridor authority
13 established by section -3.

14 "County" means any county of the State.

15 "Disaster" means any emergency that results in loss of
16 life, property, or environment and requires, or may require,
17 assistance from other counties, states, the federal government,
18 or from private agencies.

19 "Emergency" means any occurrence that results in
20 substantial injury or harm to the population or substantial



1 damage to or loss of property or substantial damage to or loss
2 of the environment.

3 "Local governing body" means the county council.

4 "Project" means a specific work or improvement, including
5 real and personal properties, or any interest therein, acquired,
6 owned, constructed, reconstructed, rehabilitated, or improved by
7 the authority, including a commercial project, a redevelopment
8 project, or a residential project, all as defined as follows, or
9 any combination thereof, which combination shall hereinafter be
10 called and known as a "multipurpose project".

11 As used in this definition:

12 (1) "Commercial project" means an undertaking involving
13 commercial or light industrial development, which
14 includes a mixed-use development where commercial or
15 light industrial facilities may be built into,
16 adjacent to, under, or above residential units;

17 (2) "Redevelopment project" means an undertaking for the
18 acquisition, clearance, replanning, reconstruction,
19 and rehabilitation, or a combination of these and
20 other methods, of an area for a residential project,
21 for an incidental commercial project, and for other



1 facilities incidental or appurtenant thereto, pursuant
2 to and in accordance with this chapter. The terms
3 "acquisition, clearance, replanning, reconstruction,
4 and rehabilitation" shall include renewal,
5 redevelopment, conservation, restoration, or
6 improvement, or any combination thereof; and

7 (3) "Residential project" means a project or that portion
8 of a multipurpose project, including residential
9 dwelling units, designed and intended for the purpose
10 of providing housing and any facilities as may be
11 incidental or appurtenant thereto.

12 "Project cost" means the total of all costs incurred by the
13 authority in carrying out all undertakings that it deems
14 reasonable and necessary for the development of a project,
15 including but not limited to: studies; surveys; plans;
16 specifications; architectural, engineering, or any other
17 development related services; acquisition of land and any
18 improvement thereon; site preparation and development;
19 construction; reconstruction; rehabilitation; the necessary
20 expenses in administering the chapter; the cost of financing the
21 project; and relocation costs.



1 "Public agency" means any office, department, board,
2 commission, bureau, division, public corporation agency, or
3 instrumentality of the federal, state, or county government.

4 "Public facilities" includes streets, utility and service
5 corridors, and utility lines where applicable, sufficient to
6 adequately service developable improvements in the district,
7 sites for schools, parks, parking garage, sidewalks, pedestrian
8 ways, and other community facilities. "Public facilities" shall
9 also include public highways, as defined by statute, storm
10 drainage systems, water systems, street lighting systems,
11 off-street parking facilities, and sanitary sewerage systems.

12 "Qualified person" includes any individual, partnership,
13 corporation, or any public agency possessing the competence,
14 expertise, experience, and resources, including financial,
15 personnel, and tangible resources, required for the purposes of
16 the project and other qualifications as may be deemed desirable
17 by the authority in administering this chapter.

18 "Real property" means lands, structures, and interests in
19 land, including lands under water and riparian rights, space
20 rights, and air rights and any and all other things and rights
21 usually included within the term. Real property also means any



1 and all interests in the property less than full title, such as
2 easements, incorporeal hereditaments, and every estate,
3 interest, or right, legal or equitable, including terms for
4 years and liens thereon by way of judgments, mortgages, or
5 otherwise.

6 § -3 **Cultural corridor authority; established.** (a)

7 There is established the cultural corridor authority, which
8 shall be a body corporate and a public instrumentality of the
9 State, for the purpose of implementing this chapter. The
10 authority shall be placed within the department of business,
11 economic development, and tourism for administrative purposes.

12 (b) The authority shall consist of the director of finance
13 or the director's designee; the director of transportation or
14 the director's designee; the director of business, economic
15 development, and tourism or the director's designee; the
16 chairperson of the board of land and natural resources; the
17 director of planning or planning and permitting of each county
18 in which a cultural corridor district is located or the
19 director's designee; a cultural specialist; an at-large member
20 nominated by the president of the senate; an at-large member
21 nominated by the speaker of the house of representatives; and



1 two representatives of each cultural corridor district,
2 comprising one resident of the district and one owner of a small
3 business or one officer or director of a nonprofit organization
4 in the district.

5 All members except the director of finance, director of
6 transportation, county directors of planning or planning and
7 permitting, director of business, economic development, and
8 tourism, chairperson of the board of land and natural resources,
9 or their respective designees shall be appointed by the governor
10 pursuant to section 26-34. The two at-large members nominated
11 by the president of the senate and speaker of the house of
12 representatives shall each be invited to serve and appointed by
13 the governor from a list of three nominees submitted for each
14 position by the nominating authority specified in this
15 subsection.

16 The president of the senate and the speaker of the house of
17 representatives shall each submit a list of six nominees for
18 each district to the governor to fill the two district
19 representative positions for each cultural corridor district.
20 For each cultural corridor district, the governor shall appoint
21 one member from a list of nominees submitted by the president of



1 the senate and one member from a list of nominees submitted by
2 the speaker of the house of representatives, and of the two
3 appointees, one shall meet the district residency requirement
4 and one shall meet the district small business owner or
5 nonprofit organization officer or director requirement.

6 If a vacancy occurs, a member shall be appointed to fill
7 the vacancy in the same manner as the original appointment
8 within thirty days of the vacancy or within ten days of the
9 senate's rejection of a previous appointment, as applicable.

10 The terms of the director of finance; director of
11 transportation; county directors of planning and permitting;
12 director of business, economic development, and tourism; and
13 chairperson of the board of land and natural resources; or their
14 respective designees shall run concurrently with each official's
15 term of office. The terms of the appointed voting members shall
16 be for four years, commencing on July 1 and expiring on June 30.
17 The governor shall provide for staggered terms of the initially
18 appointed voting members so that the initial terms of four
19 members selected by lot shall be for two years, the initial
20 terms of four members selected by lot shall be for three years,



1 and the initial terms of the remaining three members shall be
2 for four years.

3 The governor may remove or suspend for cause any member
4 after due notice and public hearing.

5 Notwithstanding section 92-15, a majority of all eligible
6 voting members as specified in this subsection shall constitute
7 a quorum to do business, and the concurrence of a majority of
8 all eligible voting members as specified in this subsection
9 shall be necessary to make any action of the authority valid.
10 All members shall continue in office until their respective
11 successors have been appointed and qualified. Except as herein
12 provided, no member appointed under this subsection shall be an
13 officer or employee of the State or its political subdivisions.

14 For purposes of this section, "small business" means a
15 business that is independently owned and that is not dominant in
16 its field of operation.

17 (c) The authority shall appoint the executive director who
18 shall be the chief executive officer. The authority shall set
19 the salary of the executive director, who shall serve at the
20 pleasure of the authority and shall be exempt from chapter 76.



1 (d) The authority shall annually elect the chairperson and
2 vice chairperson from among its members.

3 (e) The members of the authority appointed under
4 subsection (b) shall serve without compensation, but each shall
5 be reimbursed for expenses, including travel expenses, incurred
6 in the performance of their duties.

7 § -4 Powers; generally. Except as otherwise limited by
8 this chapter, the authority may:

- 9 (1) Sue and be sued;
- 10 (2) Have a seal and alter the same at pleasure;
- 11 (3) Make and execute contracts and all other instruments
12 necessary or convenient for the exercise of its powers
13 and functions under this chapter;
- 14 (4) Make and alter bylaws for its organization and
15 internal management;
- 16 (5) Make rules with respect to its projects, operations,
17 properties, and facilities, which rules shall be in
18 conformance with chapter 91;
- 19 (6) Through its executive director appoint officers,
20 agents, and employees, prescribe their duties and



- 1 qualifications, and fix their salaries, without regard
2 to chapter 76;
- 3 (7) Prepare or cause to be prepared a cultural corridor
4 plan for all designated cultural corridor districts;
- 5 (8) Acquire, reacquire, or contract to acquire or
6 reacquire by grant or purchase real, personal, or
7 mixed property or any interest therein; to own, hold,
8 clear, improve, and rehabilitate, and to sell, assign,
9 exchange, transfer, convey, lease, or otherwise
10 dispose of or encumber the same;
- 11 (9) Acquire or reacquire by condemnation real, personal,
12 or mixed property or any interest therein for public
13 facilities, including but not limited to streets,
14 sidewalks, parks, schools, and other public
15 improvements;
- 16 (10) By itself, or in partnership with qualified persons,
17 acquire, reacquire, construct, reconstruct,
18 rehabilitate, improve, alter, or repair or provide for
19 the construction, reconstruction, improvement,
20 alteration, or repair of any project; own, hold, sell,
21 assign, transfer, convey, exchange, lease, or



1 otherwise dispose of or encumber any project, and in
2 the case of the sale of any project, accept a purchase
3 money mortgage in connection therewith; and repurchase
4 or otherwise acquire any project that the authority
5 has theretofore sold or otherwise conveyed,
6 transferred, or disposed of;

7 (11) Arrange or contract for the planning, replanning,
8 opening, grading, or closing of streets, roads,
9 roadways, alleys, or other places, or for the
10 furnishing of facilities or for the acquisition of
11 property or property rights or for the furnishing of
12 property or services in connection with a project;

13 (12) Grant options to purchase any project or to renew any
14 lease entered into by it in connection with any of its
15 projects, on terms and conditions as it deems
16 advisable;

17 (13) Prepare or cause to be prepared plans, specifications,
18 designs, and estimates of costs for the construction,
19 reconstruction, rehabilitation, improvement,
20 alteration, or repair of any project, and from time to



1 time to modify the plans, specifications, designs, or
2 estimates;

3 (14) Provide advisory, consultative, training, and
4 educational services, technical assistance, and advice
5 to any person, partnership, or corporation, either
6 public or private, to carry out the purposes of this
7 chapter, and engage the services of consultants on a
8 contractual basis for rendering professional and
9 technical assistance and advice;

10 (15) Procure insurance against any loss in connection with
11 its property and other assets and operations in
12 amounts and from insurers as it deems desirable;

13 (16) Contract for and accept gifts or grants in any form
14 from any public agency or from any other source; and

15 (17) Do any and all things necessary to carry out its
16 purposes and exercise the powers given and granted in
17 this chapter.

18 § -5 **Transition; district redevelopment plan.** (a) For
19 the authority's initial district, the authority shall have a
20 transition period of two years beginning July 1, 2025. During
21 the transition period, the authority shall develop a plan to



1 redevelop the Lahaina cultural corridor district established in
2 section -31. The district plan shall:

3 (1) Identify the area of the Lahaina cultural corridor
4 district;

5 (2) Be finalized, approved, and operational by the end of
6 the transition period;

7 (3) Focus on historic and cultural preservation of the
8 district;

9 (4) Consider the State's energy and sustainability goals,
10 as well as impacts to climate change, including
11 adapting to climate change and developing mitigation
12 measures to climate change; and

13 (5) Prepare for and establish the framework, criteria, and
14 procedures for any condemnation, purchase, or receipt
15 of lands, including land exchanges.

16 (b) During the transition period, the authority may take
17 any actions necessary to prepare for the redevelopment of the
18 Lahaina cultural corridor district.

19 **§ -6 Designation of cultural corridor districts;**

20 **redevelopment plans.** (a) The legislature, by statute, may
21 designate an area as a cultural corridor district if it



1 determines that the area has been affected by disaster and in
2 need of substantial redevelopment. The designation shall
3 describe the boundaries of the district.

4 (b) After designation, the authority shall develop a
5 redevelopment plan for the designated district. The plan shall
6 include but not be limited to redevelopment guidance policies,
7 district-wide improvement program, and redevelopment rules.

8 (c) The authority may enter into cooperative agreements
9 with qualified persons or public agencies, where the powers,
10 services, and capabilities of the persons or agencies are deemed
11 necessary and appropriate for the development of the
12 redevelopment plan.

13 (d) Whenever possible, planning activities of the
14 authority shall be coordinated with federal, state and county
15 plans. Consideration shall be given to state goals and
16 policies, adopted state plan or land use guidance policies,
17 county general plans, development plans, and ordinances.

18 (e) The authority shall hold a public hearing on a
19 proposed redevelopment plan pursuant to chapter 91 and, after
20 consideration of comments received and appropriate revision,



1 shall submit the redevelopment plan to the governor for the
2 governor's approval.

3 After approval, the governor shall submit to the
4 legislature requests for appropriations, authorization to issue
5 bonds, or both, to implement the redevelopment plan in an
6 orderly, affordable, and feasible manner. The governor shall
7 submit the requests to the legislature as part of the executive
8 budget or supplemental budget, as appropriate. In addition to
9 the information, data, and materials required under chapter 37,
10 the requests shall be accompanied by:

- 11 (1) Plans, maps, narrative descriptions, and other
12 appropriate materials on the:
- 13 (A) Locations and design of projects or public
14 facilities proposed to be funded; and
- 15 (B) Phase of the redevelopment plans proposed to be
16 implemented with the requested funds; and
- 17 (2) Other information deemed by the governor of
18 significance to the legislature regarding the projects
19 or public facilities proposed to be funded, including
20 a discussion of the public benefits intended by, and



1 adverse effects that may result from, implementation
2 of the projects or public facilities.

3 (f) The authority may amend the redevelopment plan as may
4 be necessary. Amendments shall be made in accordance with
5 chapter 91.

6 § -7 **Community boards; establishment.** (a) The
7 authority shall establish a community board for each cultural
8 corridor district to assist and make recommendations to the
9 authority regarding the development of district redevelopment
10 plans.

11 (b) Each community board shall consist of seven to
12 thirteen members; provided that two-thirds of the members shall
13 be residents of the cultural corridor district and its
14 surrounding area.

15 (c) The members of the community board shall not be
16 compensated for their services but shall be reimbursed for
17 necessary expenses, including travel expenses, incurred while
18 engaged in business for the community board.

19 (d) The authority may adopt rules in accordance with
20 chapter 91 with respect to the establishment of the community



1 boards, including rules concerning the composition, eligibility,
2 selection, and term of members.

3 § -8 **District-wide improvement program.** (a) The
4 authority shall develop a district-wide improvement program to
5 identify necessary district-wide public facilities within a
6 cultural corridor district.

7 (b) Whenever the authority shall determine to undertake,
8 or cause to be undertaken, any public facility as part of the
9 district-wide improvement program, the cost of providing the
10 public facilities shall be assessed against the real property in
11 the cultural corridor district specially benefiting from the
12 public facilities. The authority shall determine the areas of
13 the cultural corridor district that will benefit from the public
14 facilities to be undertaken and, if less than the entire
15 cultural corridor district benefits, the authority may establish
16 assessment areas within the cultural corridor district. The
17 authority may issue and sell bonds in amounts authorized by the
18 legislature to provide funds to finance the public facilities.
19 The authority shall fix the assessments against real property
20 specially benefited. All assessments made pursuant to this
21 section shall be a statutory lien against each lot or parcel of



1 land assessed from the date of the notice declaring the
2 assessment until paid and the lien shall have priority over all
3 other liens except the lien of property taxes. As between liens
4 of assessments, the earlier lien shall be superior to the later
5 lien.

6 (c) Bonds issued to provide funds to finance public
7 facilities shall be secured solely by the real properties
8 benefited or improved, the assessments thereon, or by the
9 revenues derived from the program for which the bonds are
10 issued, including reserve accounts and earnings thereon,
11 insurance proceeds, and other revenues, or any combination
12 thereof. The bonds may be additionally secured by the pledge or
13 assignment of loans and other agreements or any note or other
14 undertaking, obligation, or property held by the authority.
15 Bonds issued pursuant to this section and the income therefrom
16 shall be exempt from all state and county taxation, except
17 transfer and estate taxes. The bonds shall be issued according
18 and subject to rules adopted pursuant to this section.

19 (d) Any other law to the contrary notwithstanding, in
20 assessing real property for public facilities, the authority
21 shall assess the real property within an assessment area



1 according to the special benefits conferred upon the real
2 property by the public facilities. These methods may include
3 assessment on a frontage basis or according to the area of real
4 property within an assessment area or any other assessment
5 method which assesses the real property according to the special
6 benefit conferred, or any combination thereof. No assessment
7 levied against real property specially benefited as provided by
8 this chapter shall constitute a tax on real property within the
9 meanings of any constitutional or statutory provisions.

10 (e) The authority shall adopt rules pursuant to chapter
11 91, and may amend the rules from time to time, providing for the
12 method of undertaking and financing public facilities in an
13 assessment area or an entire cultural corridor district. The
14 rules adopted pursuant to this section shall include, but are
15 not limited to, the following: methods by which the authority
16 shall establish assessment areas; the method of assessment of
17 real properties specially benefited; the costs to be borne by
18 the authority, the county in which the public facilities are
19 situated, and the property owners; the procedures before the
20 authority relating to the creation of the assessment areas by
21 the owners of real property therein, including provisions for



1 petitions, bids, contracts, bonds, and notices; provisions
2 relating to assessments; provisions relating to financing, such
3 as bonds, special funds, advances from available funds, special
4 funds for payment of bonds, payment of principal and interest,
5 and sale and use of bonds; provisions relating to funds and
6 refunding of outstanding debts; and provisions relating to
7 limitations on time to sue, and other related provisions.

8 (f) Notwithstanding any law to the contrary, the
9 authority, in its discretion, may enter into any agreement with
10 the county in which the public facilities are located, to
11 implement all or part of the purposes of this section.

12 (g) All sums collected under this section shall be
13 deposited in the cultural corridor special fund established by
14 section -18; except that notwithstanding section -18, all
15 moneys collected on account of assessments and interest thereon
16 for any specific public facilities financed by the issuance of
17 bonds shall be set apart in a separate special fund and applied
18 solely to the payment of the principal and interest on these
19 bonds, the cost of administering, operating, and maintaining the
20 program, the establishment of reserves, and other purposes as
21 may be authorized in the proceedings providing for the issuance



1 of the bonds. If any surplus remains in any special fund after
2 the payment of the bonds chargeable against that fund, it shall
3 be credited to and become a part of the cultural corridor
4 special fund. Moneys in the cultural corridor special fund may
5 be used to make up any deficiencies in the special fund.

6 (h) If the public facilities to be financed through bonds
7 issued by the authority may be dedicated to the county in which
8 the public facilities are to be located, the authority shall
9 ensure that the public facilities are designed and constructed
10 to meet county requirements.

11 (i) Notwithstanding any law to the contrary, whenever as
12 part of a district-wide improvement program it becomes necessary
13 to remove, relocate, replace, or reconstruct public utility
14 facilities, the authority shall establish by rule the allocation
15 of cost between the authority, the affected public utilities,
16 and properties that may specially benefit from such improvement,
17 if any. In determining the allocation of cost, the authority
18 shall consider the cost allocation policies for improvement
19 districts established by the county in which the removal,
20 relocation, replacement, or reconstruction is to take place.



1 § -9 **Cultural corridor district redevelopment rules.**

2 (a) The authority shall establish cultural corridor district
3 redevelopment rules under chapter 91 on health, safety,
4 building, planning, zoning, and land use which, upon final
5 adoption of a redevelopment plan, shall supersede all other
6 inconsistent ordinances and rules relating to the use, zoning,
7 planning, and development of land and construction thereon.
8 Rules adopted under this section shall follow existing law,
9 rules, ordinances, and regulations as closely as is consistent
10 with standards meeting minimum requirements of good design,
11 pleasant amenities, health, safety, and coordinated development.
12 The authority, in the redevelopment plan or by a cultural
13 corridor district redevelopment rule, may provide that lands
14 within a cultural corridor district shall not be developed
15 beyond existing uses or that improvements thereon shall not be
16 demolished or substantially reconstructed, or provide other
17 restrictions on the use of the lands.

18 (b) Development rights under a master plan permit and
19 master plan development agreement issued and approved by the
20 authority are vested under the cultural corridor district rules
21 in effect at the time of initial approval by the authority and



1 shall govern development on lands subject to the permit and
2 agreement.

3 **§ -10 Use of public lands; acquisition of state lands.**

4 (a) If state lands under the control and management of other
5 public agencies are required by the authority for its purposes,
6 the agency having the control and management of those required
7 lands, upon request by the authority and with the approval of
8 the governor, may convey or lease the lands to the authority
9 upon terms and conditions as may be agreed to by the parties.

10 (b) Notwithstanding the foregoing, no public lands shall
11 be conveyed or leased to the authority as above provided if the
12 conveyance or lease would impair any covenant between the State
13 or any county or any department or board thereof and the holders
14 of bonds issued by the State or the county, department, or
15 board.

16 **§ -11 Acquisition of real property from a county.**

17 Notwithstanding the provision of any law or charter, any county,
18 by resolution of its local governing body, without public
19 auction, sealed bids, or public notice, may sell, lease for a
20 term not exceeding sixty-five years, grant or convey to the
21 authority any real property owned by it that the authority



1 certifies to be necessary for its purposes. The sale, lease,
2 grant, or conveyance shall be made with or without consideration
3 and upon any terms and conditions as may be agreed upon by the
4 county and the authority. Certification shall be evidenced by a
5 formal request from the authority. Before the sale, lease,
6 grant, or conveyance may be made to the authority, a public
7 hearing shall be held by the local governing body to consider
8 the same. Notice of the hearing shall be published at least ten
9 days before the date set for the hearing in a publication and in
10 a manner as may be designated by the local governing body.

11 § -12 **Condemnation of real property.** The authority upon
12 making a finding that it is necessary to acquire any real
13 property for its immediate or future use for the purposes of
14 this chapter, may acquire the property by condemnation pursuant
15 to chapter 101, including property already devoted to a public
16 use. The property shall not thereafter be taken for any other
17 public use without the consent of the authority. No award of
18 compensation shall be increased by reason of any increase in the
19 value of real property caused by the designation of a cultural
20 corridor district or plan adopted pursuant to a designation, or



1 the actual or proposed acquisition, use or disposition of any
2 other real property by the authority.

3 § -13 **Construction contracts.** The authority shall award
4 construction contracts in conformity with the applicable
5 provisions of chapter 103D.

6 § -14 **Dedication for public facilities as condition to**
7 **development.** The authority shall establish rules requiring
8 dedication for public facilities of land or facilities, or cash
9 payments in lieu thereof, by developers as a condition of
10 developing real property pursuant to the redevelopment plan.
11 Where state and county public facilities dedication laws,
12 ordinances, or rules differ, the provision for greater
13 dedication shall prevail.

14 § -15 **Public projects.** Any project or activity of any
15 county or agency of the State in a designated district shall be
16 constructed, renovated, or improved in consultation with the
17 authority.

18 § -16 **Sale or lease of redevelopment projects.** (a) The
19 authority, without recourse to public auction, may sell, or
20 lease for a term not exceeding sixty-five years, all or any
21 portion of the real or personal property constituting a



1 redevelopment project to any person, upon any terms and
2 conditions as may be approved by the authority, if the authority
3 finds that the sale or lease is in conformity with the
4 redevelopment plan.

5 (b) In the case of residential projects or redevelopment
6 projects, the terms of the sale shall provide for the repurchase
7 of the property by the authority at its option, if the
8 purchaser, if other than a state agency, desires to sell the
9 property within ten years; provided that this requirement may be
10 waived by the authority if the authority determines that a
11 waiver will not be contrary to the redevelopment plan. The
12 authority shall establish at the time of original sale a formula
13 setting forth a basis for a repurchase price based on market
14 considerations including but not being limited to interest
15 rates, land values, construction costs, and federal tax laws.

16 If the purchaser in a residential project is a state
17 agency, the authority may include as a term of the sale a
18 provision for the repurchase of the property in conformance with
19 this section.

20 § -17 **Residential projects; cooperative agreements.** If
21 the authority deems it desirable to develop a residential



1 project, it may enter into an agreement with qualified persons
2 to construct, maintain, operate, or otherwise dispose of the
3 residential project. Sale, lease, or rental of dwelling units
4 in the project shall be as provided by the rules established by
5 the authority.

6 § -18 **Cultural corridor special fund.** There is created
7 the cultural corridor special fund into which all receipts and
8 revenues of the authority shall be deposited. Proceeds from the
9 fund shall be used for the purposes of this chapter.

10 § -19 **Exemption from taxation.** The authority shall not
11 be required to pay assessments levied by any county, nor shall
12 the authority be required to pay state taxes of any kind.

13 § -20 **Assistance by state and county agencies.** Any
14 state or county agency may render services upon request of the
15 authority.

16 § -21 **Annual report.** The authority shall submit to the
17 governor and the legislature, at least twenty days prior to the
18 start of any regular session, a complete and detailed report of
19 its activities.

20 § -22 **Court proceedings; preferences; venue.** (a) Any
21 action or proceeding to which the authority, the State, or the



1 county may be a party, in which any question arises as to the
2 validity of this chapter, shall be brought in the circuit court
3 of the circuit where the case or controversy arises, and shall
4 be heard and determined in preference to all other civil cases
5 pending therein except election cases, irrespective of position
6 on the calendar.

7 (b) Upon application of counsel to the authority, the same
8 preference shall be granted in any action or proceeding
9 questioning the validity of this chapter in which the authority
10 may be allowed to intervene.

11 (c) Any action or proceeding to which the authority, the
12 State, or the county may be a party, in which any question
13 arises as to the validity of this chapter or any portion of this
14 chapter, may be filed in the circuit court of the circuit where
15 the case or controversy arises, which court is hereby vested
16 with original jurisdiction over the action.

17 (d) Notwithstanding any provision of law to the contrary,
18 declaratory relief may be obtained for the action.

19 (e) Any party aggrieved by the decision of the circuit
20 court may appeal in accordance with part I of chapter 641 and
21 the appeal shall be given priority.



1 § **-23 Issuance of bonds.** The director of finance, from
2 time to time, may issue general obligation bonds pursuant to
3 chapter 39 in amounts as may be authorized by the legislature,
4 for the purposes of this chapter.

5 **PART II. LAHAINA CULTURAL CORRIDOR DISTRICT**

6 § **-31 Lahaina cultural corridor district; findings and**
7 **purposes.** The legislature finds that the Lahaina cultural
8 corridor district is in need of substantial redevelopment due to
9 damage caused by the 2023 Maui wildfires.

10 The purposes of the district shall include:

- 11 (1) The restoration of the Lahaina community;
- 12 (2) The fostering of cultural practice and education;
- 13 (3) The restoration of Mokuula, including the restoration
14 of a healthy water ecosystem;
- 15 (4) The development of a memorial; and
- 16 (5) Establishment of a shoreline setback.

17 § **-32 District; established, boundaries.** The Lahaina
18 cultural corridor district is established. The district shall
19 include the area determined by the authority during the
20 transition period pursuant to section -5."



1 PART II

2 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
3 amended by adding a new section to be appropriately designated
4 and to read as follows:

5 "§235- Voluntary relinquishment of real property
6 affected by disasters; income tax credit. (a) There shall be
7 allowed to each taxpayer subject to the tax imposed under this
8 chapter, a tax credit that shall be deductible from the
9 taxpayer's net income tax liability, if any, imposed by this
10 chapter for the taxable year in which the credit is properly
11 claimed.

12 (b) In the case of a partnership, S corporation, estate,
13 or trust, the tax credit allowable is for the assessed value of
14 real property relinquished by the entity for the taxable year.
15 The assessed value upon which the tax credit is computed shall
16 be determined at the entity level. Distribution and share of
17 credit shall be determined by rule.

18 (c) The tax credit shall be equal to the value of real
19 property located in an area affected by a disaster, as assessed
20 by county officials, relinquished by the taxpayer to the county
21 within which the real property is located.



- 1 (d) The director of taxation:
- 2 (1) Shall prepare any forms that may be necessary to claim
- 3 a tax credit under this section;
- 4 (2) May require the taxpayer to furnish reasonable
- 5 information to ascertain the validity of the claim for
- 6 the tax credit made under this section; and
- 7 (3) May adopt rules under chapter 91 necessary to
- 8 effectuate the purposes of this section.
- 9 (e) If the tax credit under this section exceeds the
- 10 taxpayer's income tax liability, the excess of the credit over
- 11 liability may be used as a credit against the taxpayer's income
- 12 tax liability in subsequent years until exhausted. All claims
- 13 for the tax credit under this section, including amended claims,
- 14 shall be filed on or before the end of the twelfth month
- 15 following the close of the taxable year for which the credit may
- 16 be claimed. Failure to comply with the foregoing provision
- 17 shall constitute a waiver of the right to claim the credit.
- 18 (f) As used in this section:
- 19 "Disaster" means any emergency that results in loss of
- 20 life, property, or environment and requires, or may require,



1 assistance from other counties, states, the federal government,
2 or from private agencies.

3 "Emergency" means any occurrence that results in
4 substantial injury or harm to the population or substantial
5 damage to or loss of property or substantial damage to or loss
6 of the environment."

7 PART III

8 SECTION 3. (a) The attorney general shall commence
9 eminent domain proceedings to acquire privately-owned real
10 property located in areas affected by disaster for purposes of
11 redevelopment and historic and cultural preservation; provided
12 that the attorney general shall only initiate eminent domain
13 proceedings pursuant to this section on privately-owned
14 properties for which the private owner has expressed interest in
15 disposing of the property.

16 (b) As used in this section:

17 "Disaster" means any emergency that results in loss of
18 life, property, or environment and requires, or may require,
19 assistance from other counties, states, the federal government,
20 or from private agencies.



1 "Emergency" means any occurrence that results in
2 substantial injury or harm to the population or substantial
3 damage to or loss of property or substantial damage to or loss
4 of the environment.

5 SECTION 4. In accordance with section 9 of article VII, of
6 the Constitution of the State of Hawaii and sections 37-91 and
7 37-93, Hawaii Revised Statutes, the legislature has determined
8 that the appropriations contained in this Act will cause the
9 state general fund expenditure ceiling for fiscal year 2024-2025
10 to be exceeded by \$, or per cent. The reasons
11 for exceeding the general fund expenditure ceiling are that the
12 appropriations made in this Act are necessary to serve the
13 public interest and to meet the needs provided for by this Act.

14 SECTION 5. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so much
16 thereof as may be necessary for fiscal year 2024-2025 for the
17 development of a district redevelopment plan pursuant to
18 section -5, Hawaii Revised Statutes.

19 The sum appropriated shall be expended by the cultural
20 corridor authority for the purposes of this Act.



1 SECTION 6. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so much
 3 thereof as may be necessary for fiscal year 2024-2025 for
 4 eminent domain proceedings to acquire privately-owned real
 5 property located in areas affected by disaster for purposes of
 6 redevelopment and historic and cultural preservation.

7 The sum appropriated shall be expended by the department of
 8 the attorney general for the purposes of this Act.

9 PART IV

10 SECTION 7. New statutory material is underscored.

11 SECTION 8. This Act shall take effect upon its approval;
 12 provided that:

13 (1) Part II shall apply to taxable years beginning after
 14 December 31, 2023; and

15 (2) Sections 5 and 6 shall take effect on July 1, 2024.
 16

INTRODUCED BY:



JAN 24 2024



H.B. NO. 2693

Report Title:

Cultural Corridor Authority; Redevelopment of Areas Affected by Disaster; Historic and Cultural Preservation; Department of Taxation; Attorney General; Income Tax Credit; Condemnation; Eminent Domain; Appropriation; General Fund Expenditure Ceiling Exceeded

Description:

Establishes the Cultural Corridor Authority to develop plans to redevelop areas affected by disaster while maintaining historic and cultural preservation. Establishes an income tax credit to incentivize the voluntary relinquishment of real property located in areas affected by disaster. Directs the Attorney General to commence eminent domain proceedings for certain purposes. Appropriates moneys. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

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

