

JAN 17 2024

A BILL FOR AN ACT

RELATING TO INDIVIDUAL HOUSING ACCOUNTS.

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

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

4 "CHAPTER

5 HOUSING SAVINGS ACCOUNT

6 § -1 Definitions. As used in this chapter:

7 "Board" means the housing savings account board.

8 "Employee" means any person who is on the employer's
9 payroll and works in a full-time or part-time position. The
10 term "employee" includes any person who is entitled to payment
11 of a minimum wage from an employer under the Hawaii minimum wage
12 law.

13 "Employer" means any individual, partnership, association,
14 company, trust, corporation, or the personal representative of
15 the estate of a deceased individual or the receiver, trustee, or
16 successor of any of the same, employing any person.



1 § -2 **Housing savings account system; established.** There
2 shall be established a housing savings account system that shall
3 have the powers and privileges of a corporation. The system
4 shall be known as the "Housing Savings Account System" and by
5 that name may sue or be sued, transact all of its business,
6 invest all of its funds, and hold all of its cash, securities,
7 and other property.

8 § -3 **General administration of the system.** The general
9 administration and responsibility for the proper operation of
10 the housing savings account system and for making effective the
11 provisions of this chapter shall be vested in the board.

12 § -4 **Housing savings account board.** (a) There is
13 established within the department of budget and finance for
14 administrative purposes the housing savings account board. The
15 board shall consist of eight members as follows:

- 16 (1) The director of finance or the director's designee,
17 who shall serve as chairperson of the board;
- 18 (2) The director of human services or the director's
19 designee;
- 20 (3) The director of commerce and consumer affairs or the
21 director's designee;



1 (4) One member representing the interests of employers, to
2 be appointed by the governor;

3 (5) One member with experience in the field of
4 investments, to be appointed by the governor;

5 (6) One member representing an association representing
6 the interest of employees, to be appointed by the
7 governor;

8 (7) A member of the senate, to be appointed by the
9 president of the senate, who shall be a nonvoting
10 advisory member of the board; and

11 (8) A member of the house of representatives, to be
12 appointed by the speaker of the house of
13 representatives, who shall be a nonvoting advisory
14 member of the board.

15 (b) Members of the board appointed by the governor shall
16 be subject to the advice and consent of the senate.

17 (c) The term of office of each member of the board
18 appointed by the governor shall be four years and each member
19 shall serve at the pleasure of the governor. The member of the
20 senate shall serve at the pleasure of the president of the
21 senate. The member of the house of representatives shall serve



1 at the pleasure of the speaker of the house of representative.

2 A member shall be eligible for reappointment. Members pursuant
3 to subsection (a), paragraphs (1) through (3), shall serve in an
4 ex officio capacity.

5 (d) If there is a vacancy for any reason, the respective
6 appointing party shall make an appointment to become effective
7 immediately for the unexpired term.

8 (e) A majority of the voting members of the board shall
9 constitute a quorum for the transaction of business.

10 (f) The members of the board shall serve without
11 compensation but shall be reimbursed for expenses, including
12 travel expenses, necessary for the performance of their official
13 duties.

14 (g) The board may employ, without regard to chapter 76,
15 staff necessary for the performance of its functions and fix the
16 staff's compensation.

17 (h) The board may establish rules pursuant to chapter 91
18 for the general administration of this chapter.

19 § -5 Housing savings account; established; employer
20 participation. (a) Each employer in the State shall offer to
21 its employees the opportunity to contribute to a housing savings



1 account administered by the housing savings account system,
2 through payroll deduction.

3 (b) An employer in the State may match an employee's
4 contribution into each employee's housing savings account.

5 (c) Funds contributed into a housing savings account shall
6 not be exempt from chapter 235 and shall not receive any
7 additional tax benefits.

8 (d) Funds contributed into a housing savings account may
9 be used by the depositing employee, for any lawful related
10 purpose, including but not limited to:

- 11 (1) Downpayments;
- 12 (2) Mortgage payments;
- 13 (3) Rent; or
- 14 (4) Security deposits.

15 An employee may withdraw funds from their housing savings
16 account at any time without any penalty.

17 § -6 **Enrollment.** Each employer shall enroll every
18 employee who enters or reenters employment with the employer and
19 who accepts participation in the employee's housing savings
20 account and shall file with the board information as the board



1 may require for the employee's housing savings account for
2 enrollment and for administrative purposes.

3 § -7 **Employee contributions.** (a) Each employee in the
4 State shall automatically contribute to a housing savings
5 account; provided that an employee may elect to opt out of
6 contributing to a housing savings account at any time.

7 (b) The default contribution rate each employee in the
8 State contributes into their individual housing savings account
9 shall be five per cent of the employee's compensation; provided
10 that an employee may elect to contribute a different amount on a
11 form to be developed by the employer."

12 SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to be 'BS S', is written over a horizontal line.



S.B. NO. 2074

Report Title:

Department of Budget and Finance; Housing Savings Account System; Housing Savings Account Board; Employees; Employers

Description:

Establishes the Housing Savings Account System for all employees in the State.

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

