

Honolulu, Hawaii

APR 05 2024

RE: H.B. No. 1760  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1760, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE FINANCES,"

begs leave to report as follows:

The purpose and intent of this measure is to support the development of affordable housing in the State.

Specifically, this measure:

- (1) Authorizes the Hawaii Housing Finance and Development Corporation and the counties to establish a bond recycling program and secure a line of credit or other instrument of indebtedness for the bond recycling program;
- (2) Requires a reserve to be maintained for the unsecured portion of debt incurred for the bond recycling program;
- (3) Establishes a subaccount within the rental housing revolving fund to be used as a reserve for the bond recycling program; and
- (4) Requires a county or bond issuer to report to the Department of Budget and Finance and Hawaii Housing



Finance and Development Corporation on the status of loans issued under the bond recycling program.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; NAIOP Hawaii; Maui Chamber of Commerce; and Stanford Carr Development, LLC.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that bond recycling is a valuable tool that allows the State and counties to efficiently utilize tax-exempt private activity bond volume from previous years while preserving the current volume cap. Your Committee further finds that authorizing bond recycling in Hawaii will support the expansion of affordable housing development in the State.

Your Committee has amended this measure by:

- (1) Renaming the bond recycling program as the bond volume cap recycling program;
- (2) Removing language authorizing the Hawaii Housing Finance and Development Corporation or a county to secure a line of credit or other instrument of indebtedness for the bond recycling program;
- (3) Removing language requiring the Hawaii Housing Finance and Development Corporation to maintain a certain amount of moneys in reserve;
- (4) Adding language that enables the Legislature to authorize the Hawaii Housing Finance and Development Corporation to secure lines of credit or other instruments of indebtedness in a total amount that does not exceed \$150,000,000 for a term that corresponds to each fiscal biennium;
- (5) Authorizing the Hawaii Housing Finance and Development Corporation to secure a line of credit or other instrument of indebtedness in an amount not to exceed \$150,000,000 during the current fiscal biennium that

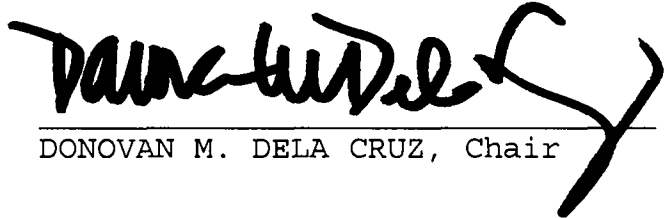


ends on June 30, 2025, to meet the requirements of federal tax law for the bond volume cap recycling program;

- (6) Removing preamble language that provided that this measure would exclude bond debt under the bond recycling program from the State's debt limit;
- (7) Establishing the bond volume cap recycling program subaccount as a new subsection in section 201H-202, HRS, rather than within an existing subsection; and
- (8) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1760, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1760, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 1760 HD1</b>	Committee Referral: <b>WAM</b>	Date: <b>4/1/2024</b> <b>3/28/2024</b>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo				X
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>1</b>

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature: \_\_\_\_\_

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**\*Only one measure per Record of Votes**