

ACT 248

S.B. NO. 492

A Bill for an Act Relating to Tax Increment Financing.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Three high technology parks are under development in the State of Hawaii including the Hawaii technology park at Mililani Town on Oahu, the Maui research and technology park at Kihei, and the Hawaii ocean science and technology (HOST) park at Keahole Point on the island of Hawaii. These and any future high technology parks have the potential to provide high quality jobs for Hawaii's people and diversification of its economy.

The legislature finds that it would be advantageous to the marketing of these parks if assistance is provided to the high technology firms that consider locating there in funding the construction of their facilities. One form of assistance that has proven successful in other areas is "tax increment financing". Act 267 of the Session Laws of Hawaii 1985 authorized the counties to establish tax increment districts and established tax increment financing procedures. Act 267, however, limits the use of tax increment financing to projects in which there is a redevelopment plan or community development plan.

Hawaii's high technology parks do not satisfy this requirement and are not currently eligible for tax increment financing. The legislature finds that it would be in the public interest to include these high technology parks.

The legislature further finds that it would be in the public interest to include telecommunications developments and other areas which the county may deem appropriate.

SECTION 2. Section 46-102, Hawaii Revised Statutes, is amended as follows:

(1) By adding a new definition of "high technology parks" to read:

"High technology parks" means an industrial park that has been developed to accommodate and support high technology activities including the Hawaii technology park at Mililani town, city and county of Honolulu,

the Maui research and technology park, Maui county, and the Hawaii ocean science and technology (HOST) park, Hawaii county."

(2) By amending the definition of "tax increment district" to read:

"Tax increment district" or "district" means a contiguous or non-contiguous geographic area [within a redevelopment area or a community development area] designated pursuant to section 46-103 by the county council for the purpose of tax increment financing."

SECTION 3. Section 46-103, Hawaii Revised Statutes, is amended to read as follows:

"§46-103 Establishment of tax increment district. Any county council may provide for tax increment financing by approving a tax increment financing plan[. If a redevelopment agency desires to establish tax increment financing as part of a redevelopment plan or community development plan, as the case may be, it may designate all or part of the area included within a redevelopment plan or community development plan, as the case may be, as a tax increment district, develop a tax increment financing plan, and submit the plan to the council for its approval. If the council approves a tax increment financing plan, it shall adopt] and adopting an ordinance establishing the tax increment district. The ordinance shall:

- (1) Describe the boundaries of the tax increment district;
- (2) Provide for the date of commencement of the tax increment district and date of termination of the district;
- (3) Provide for the establishment of a tax increment fund for the district; and
- (4) Provide for such other matters deemed to be pertinent and desirable for tax increment financing and not inconsistent with [the] any relevant redevelopment plan [or], community development plan, high technology park plan, or telecommunication development plan [as the case may be]."

SECTION 4. Section 46-104, Hawaii Revised Statutes, is amended to read as follows:

"§46-104 County powers. A county may exercise any power necessary and convenient to establish tax increment districts, including the power to:

- (1) Create tax increment districts [as part of a redevelopment plan or community development plan, as the case may be,] and determine the boundaries of the districts;
- (2) Issue tax increment bonds;
- (3) Deposit tax increments into the tax increment fund created for a tax increment district; and
- (4) Enter into agreements, including agreements with the redevelopment agency and owners or developers of project lands and bondholders, determined to be necessary or convenient to implement redevelopment plans or community development plans, as the case may be, and achieve their purposes."

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 24, 1987.)