

**ACT 236**

S.B. NO. 3048

A Bill for an Act Relating to State Funds.

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

**PART I**

SECTION 1. The legislature finds that the Hawaii housing finance and development corporation has legacy funds within the rental housing revolving fund that are derived from tax-exempt general obligation bond proceeds. These tax-exempt funds have limited usefulness for affordable rental housing development because under United States Treasury regulations, tax-exempt funds cannot be used to finance projects that also use low-income housing tax credits as there can only be one tax-exempt financing source per project. However, under United States Treasury regulations, tax-exempt bond proceeds can be used for public infrastructure projects. Financing of public infrastructure projects is an allowable use of the Hawaii housing finance and development corporation's dwelling unit revolving fund, but not the rental housing revolving fund.

The legislature further finds that the tax-exempt general obligation bond proceeds in the rental housing revolving fund could be utilized if the funds were transferred to the dwelling unit revolving fund.

Therefore, the purpose of this part is to transfer tax-exempt general obligation bond funds from the rental housing revolving fund to the dwelling unit revolving fund.

SECTION 2. The director of finance is authorized to transfer tax-exempt general obligation bond proceeds and the interest that has accrued there-

on from the rental housing revolving fund to the dwelling unit revolving fund in an amount not to exceed \$45,000,000 for fiscal year 2022-2023.

## PART II

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$300,000,000 or so much thereof as may be necessary for fiscal year 2022-2023 to be deposited into the rental housing revolving fund established in section 201H-202, Hawaii Revised Statutes.

SECTION 4. There is appropriated out of the rental housing revolving fund the sum of \$300,000,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the purposes of this part; provided that up to \$150,000,000 may be used for mixed-income rental projects or units in mixed-income rental projects targeted for individuals and families with incomes above sixty and at or below one hundred per cent of the median family income for the State of Hawaii.

The sum appropriated shall be expended by the Hawaii housing finance and development corporation for the purposes of this part; provided that the appropriation shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that any moneys not awarded as of June 30, 2023, may be used for other rental housing projects pursuant to paragraph 201H-202(e)(1), Hawaii Revised Statutes; provided further that all moneys from the appropriation that are unallotted as of June 30, 2024, shall lapse on that date.

## PART III

SECTION 5. Section 201H-202, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) An amount from the fund, to be set by the corporation and authorized by the legislature, may be used for administrative expenses incurred by the corporation in administering the ~~[fund];~~ corporation’s housing finance programs; provided that fund moneys ~~[may]~~ shall not be used to finance day-to-day administrative expenses of projects allotted fund moneys.

(c) The following may be deposited into the fund: appropriations made by the legislature, conveyance taxes pursuant to section 247-7, private contributions, repayment of loans, interest, other returns, and moneys from other sources.”

## PART IV

SECTION 6. There is established two full-time equivalent (2.0 FTE) housing finance specialist I positions (BED160HF) within the Hawaii housing finance and development corporation.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,594,000 or so much thereof as may be necessary for fiscal year 2022-2023 for computer software and hardware; information technology improvements; videoconferencing improvements; and scanning and digitization equipment, services, and warranties.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this part.

## PART V

SECTION 8. From the American Rescue Plan funds appropriation for disease outbreak control (HTH131), as appropriated in House Bill No. 1600, H.D. 1, S.D. 2, C.D. 1,<sup>1</sup> the sum of \$5,000,000 or so much thereof as may be necessary for fiscal year 2022-2023 shall be expended for the procurement of rapid antigen tests to detect coronavirus disease 2019, with preference given to procuring such tests that have received emergency use authorization from the United States Food and Drug Administration, and that were developed in the State of Hawaii.

## PART VI

SECTION 9. In accordance with article VII, section 9, of the Hawaii State Constitution, and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriations contained within this Act will cause the state general fund expenditures for fiscal year 2022-2023 to exceed the general fund expenditure ceiling by \$213,189,484, or 2.10 per cent. The general fund expenditure ceiling will be exceeded for the following reasons:

- (1) The appropriations made in this Act are necessary to serve the public interest; and
- (2) The appropriations made in this Act meet the needs addressed by this Act.

SECTION 10. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 11. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 12. This Act shall take effect on July 1, 2022.

(Approved July 1, 2022.)

### Note

1. Act 248.