

A Bill for an Act Relating to Bonds.

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

SECTION 1. Section 39B-2, Hawaii Revised Statutes, is amended to read as follows:

“§39B-2 Allocation of annual state ceiling. (a) The annual state ceiling shall be allocated for each calendar year in the following proportions:

- (1) An amount equal to fifty per cent of the annual state ceiling to the State;
- (2) An amount equal to 37.55 per cent of the annual state ceiling to the city and county of Honolulu;
- (3) An amount equal to 5.03 per cent of the annual state ceiling to the county of Hawaii;
- (4) An amount equal to 2.41 per cent of the annual state ceiling to the county of Kauai; and
- (5) An amount equal to 5.01 per cent of the annual state ceiling to the county of Maui.

(b) The department, with the approval of the governor, may assign all or any part of the allocation of the State to any issuer or any county for a specific calendar year or years. At the request of the department, any issuer or county to which any part of the State's allocation has been assigned shall return all or part of the assignment, in which case the department may provide for its reassignment.

(c) The department may request return of all or any part of the allocations of one or more counties made pursuant to subsection (a), and may assign and reassign the allocation to any other county or issuer for a specified calendar year or years.

(d) A county, by resolution of its governing body, or any issuer, by written certificate of [such] the issuer, may request additional allocations of the annual state ceiling from, or assign all or any part of its portion of the allocation of the annual state ceiling to, the State for a specified calendar year or years. Before requesting an additional allocation of the annual state ceiling for a specific calendar year or years under this subsection, a county shall have applied all of its allocation of the annual state ceiling for the specified calendar year or years as evidenced by a certificate of the issuer or the director of finance of a county, as applicable, under section 39B-3. If a county assigns all or any part of its private activity bond allocation for a specific calendar year or years to the State under this subsection, the assigned portion shall be applied to a project or projects located in the assigning county; provided that pursuant to a cooperative agreement with the department and Hawaii housing finance and development corporation under subsection (e), the private activity bond allocation may be awarded to projects located in other counties.

(e) In order to facilitate the construction of new rental housing projects, the department and Hawaii housing finance and development corporation may enter into a cooperative agreement with a county to coordinate the award of private activity bonds and low-income housing tax credits for new rental housing projects in the county. The agreement shall, except as provided under federal law, be exempt from all statutes, ordinances, charter provisions, and rules of any government agency relating to the award of private activity bonds and low-income housing tax credits.”

SECTION 2. Section 39B-4, Hawaii Revised Statutes, is amended to read as follows:

“§39B-4 Report of unused allocation; reversion to State. The director of finance of each county shall report to the department and Hawaii housing finance and development corporation in writing by November 15 of each year as to the amount of allocation to ~~[such]~~ the county ~~[which]~~ that has not been applied to private activity bonds in ~~[such]~~ the year or assigned pursuant to this chapter.

In preparing ~~[such]~~ the report, the director of finance of the county shall deduct any allocation ~~[which]~~ that is unused or unassigned as of November 15 but will be applied to private activity bonds on or ~~[prior to]~~ before December 1 of ~~[such]~~ the specified year.

Unless the director of finance of the county or any issuer, by written certificate, indicates to the department and the Hawaii housing finance and development corporation ~~[prior to]~~ before November 15 of each year that it intends to carry forward all or any portion of its allocation ~~[which]~~ that has not been applied to private activity bonds in ~~[such]~~ the specified year or assigned pursuant to this chapter, ~~[such]~~ the unused or unassigned allocation shall revert to the State on December 1 and the State shall be entitled to carry forward ~~[such]~~ the unused or unassigned allocation as permitted by federal law.”

SECTION 3. Act 182, Session Laws of Hawaii 2022, is amended by amending section 4 to read as follows:

~~“SECTION 4. [Unless requested by the governor and approved by the legislature, no]~~ No special purpose revenue bonds requiring an allocation of annual state ceiling under section 39B-2, Hawaii Revised Statutes, shall be authorized after June 30, ~~[2022]~~ 2023, and before December 31, 2028.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2023.

(Became law on July 11, 2023, without the Governor's signature, pursuant to Art. III, §16, State Constitution.)