

## ACT 30

S.B. NO. 1099

A Bill for an Act Relating to Taxation.

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

SECTION 1. Section 46-16.8, Hawaii Revised Statutes, is amended by amending subsections (g) and (h) to read as follows:

“(g) Each county having a population equal to or less than five hundred thousand that adopts a county surcharge on state tax ordinance pursuant to this section shall use the surcharges received from the State for:

- (1) Operating or capital costs of public transportation within each county for public transportation systems, including:
  - (A) Public roadways or highways;
  - (B) Public buses;
  - (C) Trains;
  - (D) Ferries;
  - (E) Pedestrian paths or sidewalks; or
  - (F) Bicycle paths;
- (2) Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1); and
- (3) Housing infrastructure[;] costs; provided that a county that uses surcharge revenues for housing infrastructure shall not pass on those housing infrastructure costs to the developer of a housing project; provided further that this paragraph shall apply only if a county amended its surcharge ordinance pursuant to subsection (d) or adopts a county surcharge on state tax ordinance after December 31, 2022;

provided that each county having a population equal to or less than five hundred thousand that adopts a county surcharge on state tax ordinance pursuant to this section after December 31, 2022, shall use the surcharge revenues received from the State only for the purposes described in paragraph (3)[;] for county-appropriated housing infrastructure costs.

(h) As used in this section:

“Capital costs” means nonrecurring costs required to construct a transit facility or system, including debt service, costs of land acquisition and development, acquiring of rights-of-way, planning, design, and construction, and including equipping and furnishing the facility or system. For a county with

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a population greater than five hundred thousand, capital costs also include non-recurring personal services and other overhead costs that are not intended to continue after completion of construction of the minimum operable segment of the locally preferred alternative for a mass transit project.

“Housing infrastructure<sup>[2]</sup> costs” includes pedestrian paths or sidewalks on a county road near or around a public school, and water, drainage, sewer, water reuse, waste disposal, and waste treatment systems that connect to the infrastructure of the county[-] and shall include financing costs, including any related debt service and financing agreement costs.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2024.

(Approved May 28, 2024.)