



GOV. MSG. NO. 1020

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 3, 2007

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fourth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on July 3, 2007, the following bill was signed into law:

HB487 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO HOUSING  
PROGRAMS.  
(ACT 249)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

Approved by the Governor

on JUL 3 2007

HOUSE OF REPRESENTATIVES  
TWENTY-FOURTH LEGISLATURE, 2007  
STATE OF HAWAII

**ACT 249**

**H.B. NO.** 487  
H.D. 1  
S.D. 1  
C.D. 1

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# A BILL FOR AN ACT

RELATING TO HOUSING PROGRAMS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 **PART I**

2 SECTION 1. Act 180, Session Laws of Hawaii 2006 (Act 180),  
3 repealed chapter 201G, Hawaii Revised Statutes, the housing and  
4 community development corporation of Hawaii, and divided its  
5 powers and functions between two separate agencies: the Hawaii  
6 housing finance and development corporation and the Hawaii  
7 public housing authority, established in chapters 201H and 356D,  
8 Hawaii Revised Statutes, respectively.

9 Section 14 of Act 180 directed the legislative reference  
10 bureau to further implement these changes by amending specified  
11 sections of the Hawaii Revised Statutes that reference the  
12 repealed chapter 201G, Hawaii Revised Statutes, or any of its  
13 various sections, and proposing substitutions to the new  
14 chapters 201H and 356D, Hawaii Revised Statutes. This part  
15 implements these changes.

16 SECTION 2. Section 10-13.6, Hawaii Revised Statutes, is  
17 amended to read as follows:



1           "§10-13.6 Public land trust conveyed for the development  
2 of housing projects. (a) This section applies to the revenue  
3 derived from [~~any~~] land of the public land trust [~~which~~] as  
4 designated in subsection (e) that is conveyed by the department  
5 of land and natural resources to the Hawaii housing finance and  
6 development corporation for the development of housing projects  
7 as defined under [~~sections 201G-1 and 201G-112.~~] section 201H-1.  
8 The amount due to the office shall be determined by multiplying  
9 the fair market value of the land by twenty per cent. For the  
10 purpose of this section[~~, "fair~~]:

11           "Fair market value" means the amount of money [~~which~~] that  
12 a purchaser willing but not obliged to buy the land would pay to  
13 an owner willing but not obliged to sell it, taking into  
14 consideration the highest and best use of the land. [~~For the~~  
15 ~~purpose of this section, "highest~~]

16           "Highest and best use" means the most profitable, probable,  
17 and legal use to which the land can be put.

18           (b) Fair market value shall be determined on a per acre  
19 basis pursuant to appraisals performed in conformance with the  
20 uniform standards of professional appraisal practice as adopted  
21 by the department of commerce and consumer affairs, not more  
22 than ninety days before the conveyance of the land to the Hawaii



1 housing finance and development corporation. The appraisals  
2 shall be performed by two disinterested appraisers each of whose  
3 services shall be contracted by the department of land and  
4 natural resources and the office, respectively. If the land is  
5 of the public land trust and sugarcane lands, as defined by  
6 ~~[Article]~~ article XII, ~~[Section]~~ section 1 of the ~~[State~~  
7 ~~Constitution,~~ state constitution, the office and the department  
8 of Hawaiian home lands shall contract the services of one  
9 appraiser. The parties shall contract the services of the  
10 appraisers within thirty ~~[working]~~ business days after the  
11 department of land and natural resources gives written notice to  
12 the office, together with the department of Hawaiian home lands  
13 if the land is of the public land trust and sugarcane lands, of  
14 the proposed conveyance of the land to the Hawaii housing  
15 finance and development corporation.

16 If any party fails or refuses to contract the services of  
17 an appraiser, then the other party may petition ~~[the presiding~~  
18 ~~judge of]~~ the circuit court ~~[of the State]~~ in the county where  
19 the land is located to appoint the other of the two appraisers.  
20 If the two appraisers are unable to agree on a fair market  
21 value, then within thirty days thereafter, the department of  
22 land and natural resources and the office, together with the



1 department of Hawaiian home lands if the land is of the public  
2 land trust and sugarcane lands, shall contract for the services  
3 of a mutually [~~selected~~] agreed upon third appraiser and the  
4 decision of the majority of the appraisers shall be final with  
5 respect to determination of the fair market value[-] of the  
6 land. If the department of land and natural resources and the  
7 office, together with the department of Hawaiian home lands if  
8 the land is of the public land trust and sugarcane lands, are  
9 unable to agree on the selection of the third appraiser, any  
10 party may petition the [~~presiding judge of the~~] circuit court  
11 [~~of the State~~] in the county where the land is located to  
12 appoint the third appraiser.

13 (c) The amount due to the office shall be due and payable  
14 by the State on the date of conveyance of the land to the Hawaii  
15 housing finance and development corporation. Payment to the  
16 office may be in the form of public lands or moneys. If payment  
17 is to be in the form of public lands, the lands shall be  
18 mutually agreed upon by the department of land and natural  
19 resources and the office, and shall be of value comparable to  
20 the amount due to the office. Any monetary payment shall be an  
21 obligation of the Hawaii housing finance and development  
22 corporation. Any portion of that amount that is not paid on the



1 date of conveyance shall be subject to simple interest annually,  
2 established pursuant to the fifteen year treasury rate at the  
3 time of the conveyance and payable annually by the State to the  
4 office.

5 (d) Twenty per cent of the revenue received by the Hawaii  
6 housing finance and development corporation from commercial,  
7 industrial, or other [~~non-residential~~] nonresidential use of the  
8 land shall be paid annually to the office[7]; provided that:

9 (1) The office shall not receive payment under this  
10 subsection until the Hawaii housing finance and  
11 development corporation recovers all moneys previously  
12 paid to the office for that portion of land used for  
13 commercial, industrial, or other [~~non-residential~~]  
14 nonresidential purposes;

15 (2) If borrowed moneys are used to finance the development  
16 of land for commercial, industrial, or other [~~non-~~  
17 ~~residential~~] nonresidential purposes, annual payments  
18 due to the office under this subsection shall be made  
19 pursuant to the following order of priority:

20 (A) The Hawaii housing finance and development  
21 corporation satisfies as a first priority the  
22 amount computed annually on the pro rata portion



1 (not the total debt service over the life of the  
2 debt) of its total debt service on the borrowed  
3 moneys;

4 (B) The Hawaii housing finance and development  
5 corporation satisfies as a second priority its  
6 operating expense obligations [+]directly  
7 incurred from the development and [~~operating~~]  
8 operation of land used for commercial,  
9 industrial, or other [~~non-residential~~]  
10 nonresidential purposes[+] in an amount not  
11 exceeding one per cent of the revenues for the  
12 project; and

13 (C) After the first and second priorities are  
14 satisfied, the Hawaii housing finance and  
15 development corporation shall make annual  
16 payments due to the office under this subsection  
17 from any remaining revenues; and

18 (3) In the event of a sale of land used for commercial,  
19 industrial, or other [~~non-residential~~] nonresidential  
20 purposes, the office shall receive twenty per cent of  
21 the revenue received by the Hawaii housing finance and  
22 development corporation.



1        (e) This section shall only apply to the Hawaii housing  
2 finance and development corporation's developments known as the  
3 villages of Leali'i, Maui, and villages of La'i'opua, Hawaii."

4        SECTION 3. Section 26-14.6, Hawaii Revised Statutes, is  
5 amended by amending subsection (f) to read as follows:

6        "(f) Effective July 1, 1990, the functions, authority, and  
7 obligations, together with the limitations imposed thereon and  
8 the privileges and immunities conferred thereby, exercised by a  
9 "sheriff", "sheriffs", a "sheriff's deputy", "sheriff's  
10 deputies", a "deputy sheriff", "deputy sheriffs", or a "deputy",  
11 under sections 21-8, 47-18, [~~88-51,~~] 105-4, [~~134-11,~~] 134-51,  
12 183D-11, 187A-14, [~~201G-55, 201G-74,~~] 231-25, 281-108, 281-111,  
13 286-52, 286-52.5, 321-1, 322-6, 325-9, [~~325-80,~~] 353-11,  
14 356D-54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485-6, 501-42,  
15 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29, 604-6.2,  
16 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12, 634-21,  
17 634-22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13, 660-16,  
18 666-11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18, 804-41,  
19 805-1, 806-71, and 832-23 shall be exercised to the same extent  
20 by the department of public safety."

21        SECTION 4. Section 26-14.6, Hawaii Revised Statutes, is  
22 amended by amending subsection (f) to read as follows:





1           "(f) Effective July 1, 1990, the functions, authority, and  
2 obligations, together with the limitations imposed thereon and  
3 the privileges and immunities conferred thereby, exercised by a  
4 "sheriff", "sheriffs", a "sheriff's deputy", "sheriff's  
5 deputies", a "deputy sheriff", "deputy sheriffs", or a "deputy",  
6 under sections 21-8, 47-18, [~~88-51,~~] 105-4, [~~134-11,~~] 134-51,  
7 183D-11, 187A-14, [~~201C-55, 201C-74,~~] 231-25, 281-108, 281-111,  
8 286-52, 286-52.5, 321-1, 322-6, 325-9, [~~325-80,~~] 353-11,  
9 356D-54, 356D-94, 383-71, 438-5, 445-37, 482E-4, 485A-202,  
10 501-42, 501-171, 501-218, 521-78, 578-4, 584-6, 587-33, 603-29,  
11 604-6.2, 606-14, 607-2, 607-4, 607-8, 633-8, 634-11, 634-12,  
12 634-21, 634-22, 651-33, 651-37, 651-51, 654-2, 655-2, 657-13,  
13 660-16, 666-11, 666-21, 803-23, 803-34, 803-35, 804-14, 804-18,  
14 804-41, 805-1, 806-71, and 832-23 shall be exercised to the same  
15 extent by the department of public safety."

16           SECTION 5. Section 29-15.5, Hawaii Revised Statutes, is  
17 amended by amending subsection (c) to read as follows:

18           "(c) This section shall not affect sections [~~201C-~~  
19 ~~312(b)(2),~~] 201H-152(b)(2), 212-7, or 523A-64."

20           SECTION 6. Section 46-1.5, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           **"§46-1.5 General powers and limitation of the counties.**

2 Subject to general law, each county shall have the following  
3 powers and shall be subject to the following liabilities and  
4 limitations:

5           (1) Each county shall have the power to frame and adopt a  
6 charter for its own self-government [~~which~~] that  
7 shall establish the county executive, administrative,  
8 and legislative structure and organization,  
9 including [~~the~~] but not limited to [~~the~~] the method of  
10 appointment or election of officials, their duties,  
11 responsibilities, and compensation, and the terms of  
12 their office;

13           (2) Each county shall have the power to provide for and  
14 regulate the marking and lighting of all buildings and  
15 other structures that may be obstructions or hazards  
16 to aerial navigation, so far as may be necessary or  
17 proper for the protection and safeguarding of life,  
18 health, and property;

19           (3) Each county shall have the power to enforce all claims  
20 on behalf of the county and approve all lawful claims  
21 against the county, but shall be prohibited from  
22 entering into, granting, or making in any manner any

1 contract, authorization, allowance payment, or  
2 liability contrary to the provisions of any county  
3 charter or general law;

4 (4) Each county shall have the power to make contracts and  
5 to do all things necessary and proper to carry into  
6 execution all powers vested in the county or any  
7 county officer;

8 (5) Each county shall have the power to [maintain]:

9 (A) Maintain channels, whether natural or artificial,  
10 including their exits to the ocean, in suitable  
11 condition to carry off storm waters; ~~[and to~~  
12 ~~remove]~~

13 (B) Remove from the channels, and from the shores and  
14 beaches, any debris that is likely to create an  
15 unsanitary condition or become a public nuisance;  
16 provided that, to the extent any of the foregoing  
17 work is a private responsibility, the  
18 responsibility may be enforced by the county in  
19 lieu of the work being done at public expense[  
20 ~~Counties also shall have the power to~~  
21 ~~construct,]~~];



1           (C) Construct, acquire by gift, purchase, or by the  
 2           exercise of eminent domain, reconstruct, improve,  
 3           better, extend, and maintain projects or  
 4           undertakings for the control of and protection  
 5           against floods and flood waters, including the  
 6           power to drain and rehabilitate lands already  
 7           flooded[~~, and to enact~~]; and

8           (D) Enact zoning ordinances providing that lands  
 9           deemed subject to seasonable, periodic, or  
 10          occasional flooding shall not be used for  
 11          residence or other purposes in a manner as to  
 12          endanger the health or safety of the occupants  
 13          thereof, as required by the Federal Flood  
 14          Insurance Act of 1956 (chapter 1025, Public Law  
 15          1016);

16          (6) Each county shall have the power to exercise the power  
 17          of condemnation by eminent domain when it is in the  
 18          public interest to do so;

19          (7) Each county shall have the power to exercise  
 20          regulatory powers over business activity as are  
 21          assigned to them by chapter 445 or other general law;



- 1 (8) Each county shall have the power to fix the fees and  
2 charges for all official services not otherwise  
3 provided for;
- 4 (9) Each county shall have the power to provide by  
5 ordinance assessments for the improvement or  
6 maintenance of districts within the county;
- 7 (10) Except as otherwise provided, no county shall have the  
8 power to give or loan credit to, or in aid of, any  
9 person or corporation, directly or indirectly, except  
10 for a public purpose;
- 11 (11) Where not within the jurisdiction of the public  
12 utilities commission, each county shall have the power  
13 to regulate by ordinance the operation of motor  
14 vehicle common carriers transporting passengers within  
15 the county and adopt and amend rules the county deems  
16 necessary for the public convenience and necessity;
- 17 (12) Each county shall have the power to enact and enforce  
18 ordinances necessary to prevent or summarily remove  
19 public nuisances and to compel the clearing or removal  
20 of any public nuisance, refuse, and uncultivated  
21 undergrowth from streets, sidewalks, public places,  
22 and unoccupied lots [~~, and in these connections, to~~].



1           In connection with these powers, each county may  
2           impose and enforce liens upon the property for the  
3           cost to the county of removing and completing the  
4           necessary work where the property owners fail, after  
5           reasonable notice, to comply with the ordinances. The  
6           authority provided by this paragraph shall not be  
7           self-executing, but shall become fully effective  
8           within a county only upon the enactment or adoption by  
9           the county of appropriate and particular laws,  
10          ordinances, or rules defining "public nuisances" with  
11          respect to each county's respective circumstances.  
12          The counties shall provide the property owner with the  
13          opportunity to contest the summary action and to  
14          recover the owner's property;

15          (13) Each county shall have the power to enact ordinances  
16          deemed necessary to protect health, life, and  
17          property, and to preserve the order and security of  
18          the county and its inhabitants on any subject or  
19          matter not inconsistent with, or tending to defeat,  
20          the intent of any state statute [~~provided also that~~]  
21          where the statute does not disclose an express or



1 implied intent that the statute shall be exclusive or  
2 uniform throughout the State;

3 (14) Each county shall have the power to ~~make~~:

4 (A) Make and enforce within the limits of the county  
5 all necessary ordinances covering~~+~~ all ~~local~~:

6 (i) Local police matters; ~~all matters~~

7 (ii) Matters of sanitation; ~~all matters~~

8 (iii) Matters of inspection of buildings; ~~all~~  
9 ~~matters~~

10 (iv) Matters of condemnation of unsafe  
11 structures, plumbing, sewers, dairies, milk,  
12 fish, and morgues; ~~all matters~~ and

13 (v) Matters of the collection and disposition of  
14 rubbish and garbage; ~~and to provide~~

15 (B) Provide exemptions for homeless facilities and  
16 any other program for the homeless authorized by  
17 chapter ~~[201G,]~~ 356D, for all matters under this  
18 paragraph; ~~and to appoint~~

19 (C) Appoint county physicians and sanitary and other  
20 inspectors as necessary to carry into effect  
21 ordinances made under this paragraph, who shall  
22 have the same power as given by law to agents of



1 the department of health, subject only to  
 2 limitations placed on them by the terms and  
 3 conditions of their appointments; and [~~to fix~~]  
 4 (D) Fix a penalty for the violation of any ordinance,  
 5 which penalty may be a misdemeanor, petty  
 6 misdemeanor, or violation as defined by general  
 7 law;

8 (15) Each county shall have the power to provide public  
 9 pounds[~~r~~]; to regulate the impounding of stray animals  
 10 and fowl, and their disposition[~~r~~]; and to provide for  
 11 the appointment, powers, duties, and fees of animal  
 12 control officers;

13 (16) Each county shall have the power to purchase and  
 14 otherwise acquire, lease, and hold real and personal  
 15 property within the defined boundaries of the county  
 16 and to dispose of the real and personal property as  
 17 the interests of the inhabitants of the county may  
 18 require, except that: [~~any~~]

19 (A) Any property held for school purposes may not be  
 20 disposed of without the consent of the  
 21 superintendent of education; [~~no~~]









1 streets and the public ways, and for flushing the  
2 sewers; and

3 (D) Open, close, construct, or maintain county  
4 highways or charge toll on county highways;  
5 provided that all revenues received from a toll  
6 charge shall be used for the construction or  
7 maintenance of county highways;

8 (20) Each county shall have the power to regulate the  
9 renting, subletting, and rental conditions of property  
10 for places of abode by ordinance;

11 (21) Unless otherwise provided by law, each county shall  
12 have the power to establish by ordinance the order of  
13 succession of county officials in the event of a  
14 military or civil disaster;

15 (22) Each county shall have the power to sue and be sued in  
16 its corporate name;

17 (23) Each county shall have the power to establish and  
18 maintain waterworks and sewer works; to collect rates  
19 for water supplied to consumers and for the use of  
20 sewers; to install water meters whenever deemed  
21 expedient; provided that owners of premises having  
22 vested water rights under existing laws appurtenant to



1 the premises shall not be charged for the installation  
2 or use of the water meters on the premises; to take  
3 over from the State existing waterworks systems,  
4 including water rights, pipelines, and other  
5 appurtenances belonging thereto, and sewer systems,  
6 and to enlarge, develop, and improve the same;

7 (24) (A) Each county may impose civil fines, in addition  
8 to criminal penalties, for any violation of  
9 county ordinances or rules after reasonable  
10 notice and requests to correct or cease the  
11 violation have been made upon the violator. Any  
12 administratively imposed civil fine shall not be  
13 collected until after an opportunity for a  
14 hearing under chapter 91. Any appeal shall be  
15 filed within thirty days from the date of the  
16 final written decision. These proceedings shall  
17 not be a prerequisite for any civil fine or  
18 injunctive relief ordered by the circuit court;

19 (B) Each county by ordinance may provide for the  
20 addition of any unpaid civil fines, ordered by  
21 any court of competent jurisdiction, to any  
22 taxes, fees, or charges, with the exception of



1 fees or charges for water for residential use and  
2 sewer charges, collected by the county. Each  
3 county by ordinance may also provide for the  
4 addition of any unpaid administratively imposed  
5 civil fines, which remain due after all judicial  
6 review rights under section 91-14 are exhausted,  
7 to any taxes, fees, or charges, with the  
8 exception of water for residential use and sewer  
9 charges, collected by the county. The ordinance  
10 shall specify the administrative procedures for  
11 the addition of the unpaid civil fines to the  
12 eligible taxes, fees, or charges and may require  
13 hearings or other proceedings. After addition of  
14 the unpaid civil fines to the taxes, fees, or  
15 charges, the unpaid civil fines shall not become  
16 a part of any taxes, fees, or charges. The  
17 county by ordinance may condition the issuance or  
18 renewal of a license, approval, or permit for  
19 which a fee or charge is assessed, except for  
20 water for residential use and sewer charges, on  
21 payment of the unpaid civil fines. Upon  
22 recordation of a notice of unpaid civil fines in



1 the bureau of conveyances, the amount of the  
2 civil fines, including any increase in the amount  
3 of the fine which the county may assess, shall  
4 constitute a lien upon all real property or  
5 rights to real property belonging to any person  
6 liable for the unpaid civil fines. The lien in  
7 favor of the county shall be subordinate to any  
8 lien in favor of any person recorded or  
9 registered prior to the recordation of the notice  
10 of unpaid civil fines and senior to any lien  
11 recorded or registered after the recordation of  
12 the notice. The lien shall continue until the  
13 unpaid civil fines are paid in full or until a  
14 certificate of release or partial release of the  
15 lien, prepared by the county at the owner's  
16 expense, is recorded. The notice of unpaid civil  
17 fines shall state the amount of the fine as of  
18 the date of the notice and maximum permissible  
19 daily increase of the fine. The county shall not  
20 be required to include a social security number,  
21 state general excise taxpayer identification  
22 number, or federal employer identification number



1 on the notice. Recordation of the notice in the  
2 bureau of conveyances shall be deemed, at such  
3 time, for all purposes and without any further  
4 action, to procure a lien on land registered in  
5 land court under chapter 501. After the unpaid  
6 civil fines are added to the taxes, fees, or  
7 charges as specified by county ordinance, the  
8 unpaid civil fines shall be deemed immediately  
9 due, owing, and delinquent and may be collected  
10 in any lawful manner. The procedure for  
11 collection of unpaid civil fines authorized in  
12 this paragraph shall be in addition to any other  
13 procedures for collection available to the State  
14 and county by law or rules of the courts;

15 (C) Each county may impose civil fines upon any  
16 person who places graffiti on any real or  
17 personal property owned, managed, or maintained  
18 by the county. The fine may be up to \$1,000 or  
19 may be equal to the actual cost of having the  
20 damaged property repaired or replaced. The  
21 parent or guardian having custody of a minor who  
22 places graffiti on any real or personal property



1 owned, managed, or maintained by the county shall  
2 be jointly and severally liable with the minor  
3 for any civil fines imposed hereunder. Any such  
4 fine may be administratively imposed after an  
5 opportunity for a hearing under chapter 91, but  
6 such a proceeding shall not be a prerequisite for  
7 any civil fine ordered by any court. As used in  
8 this subparagraph, "graffiti" means any  
9 unauthorized drawing, inscription, figure, or  
10 mark of any type intentionally created by paint,  
11 ink, chalk, dye, or similar substances;

12 (D) At the completion of an appeal in which the  
13 county's enforcement action is affirmed and upon  
14 correction of the violation if requested by the  
15 violator, the case [~~will~~] shall be reviewed by  
16 the county agency that imposed the civil fines to  
17 determine the appropriateness of the amount of  
18 the civil fines that accrued while the appeal  
19 proceedings were pending. In its review of the  
20 amount of the accrued fines, the county agency  
21 may consider [~~the following~~]:



- 1           (i)   The nature and egregiousness of the  
2                                      violation[~~τ~~];
- 3           (ii)   The duration of the violation[~~τ~~];
- 4           (iii)   The number of recurring and other similar  
5                                      violations[~~τ~~];
- 6           (iv)   Any effort taken by the violator to correct  
7                                      the violation[~~τ~~];
- 8           (v)   The degree of involvement in causing or  
9                                      continuing the violation[~~τ~~, ~~reasons~~];
- 10          (vi)   Reasons for any delay in the completion of  
11                                      the appeal[~~τ~~, ~~and other~~]; and
- 12          (vii)   Other extenuating circumstances.
- 13          The civil fine [~~which~~] that is imposed by  
14                                      administrative order after this review is completed  
15                                      and the violation is corrected [~~is~~] shall be subject  
16                                      to [~~only~~] judicial review, notwithstanding any  
17                                      provisions for administrative review in county  
18                                      charters;
- 19          (E)   After completion of a review of the amount of  
20                                      accrued civil fine by the county agency [~~which~~]  
21                                      that imposed the fine, the amount of the civil  
22                                      fine determined appropriate, including both the



1 initial civil fine and any accrued daily civil  
2 fine, shall immediately become due and  
3 collectible following reasonable notice to the  
4 violator. If no review of the accrued civil fine  
5 is requested, the amount of the civil fine, not  
6 to exceed the total accrual of civil fine prior  
7 to correcting the violation, shall immediately  
8 become due and collectible following reasonable  
9 notice to the violator, at the completion of all  
10 appeal proceedings;

11 (F) If no county agency exists to conduct appeal  
12 proceedings for a particular civil fine action  
13 taken by the county, then one shall be  
14 established by ordinance before the county shall  
15 impose [~~that~~] the civil fine;

16 (25) Any law to the contrary notwithstanding, any county  
17 mayor may exempt by executive order donors, provider  
18 agencies, homeless facilities, and any other program  
19 for the homeless under chapter [~~2016~~] 356D from real  
20 property taxes, water and sewer development fees,  
21 rates collected for water supplied to consumers and  
22 for use of sewers, and any other county taxes,



1 charges, or fees; provided that any county may enact  
2 ordinances to regulate and grant the exemptions  
3 granted by this paragraph;

4 (26) Any county may establish a captive insurance company  
5 pursuant to article 19, chapter 431; and

6 (27) Each county shall have the power to enact and enforce  
7 ordinances regulating towing operations."

8 SECTION 7. Section 46-4, Hawaii Revised Statutes, is  
9 amended by amending subsection (f) to read as follows:

10 "(f) For purposes of this section:

11 "Clean and sober home" means a house that is operated  
12 pursuant to a program designed to provide a stable environment  
13 of clean and sober living conditions to sustain recovery and  
14 that is shared by unrelated adult persons who:

15 (1) Are recovering from substance abuse;

16 (2) Share household expenses; and

17 (3) Do not require twenty-four-hour supervision,  
18 rehabilitation, or therapeutic services or care in the  
19 home or on the premises[~~—The~~];

20 provided that the home shall meet all applicable laws, codes,  
21 and rules of the counties and State.



1 "Developmentally disabled person" means a person suffering  
2 from developmental disabilities as defined under section 333F-1.

3 "Disabled person" means a person with a disability as  
4 defined under section 515-2.

5 "Drug rehabilitation home" means:

- 6 (1) A residential treatment facility that provides a  
7 therapeutic residential program for care, diagnosis,  
8 treatment, or rehabilitation for socially or  
9 emotionally distressed persons, mentally ill persons,  
10 persons suffering from substance abuse, and  
11 developmentally disabled persons; or
- 12 (2) A supervised living arrangement that provides mental  
13 health services, substance abuse services, or  
14 supportive services for individuals or families who do  
15 not need the structure of a special treatment facility  
16 and are transitioning to independent living;  
17 provided that drug rehabilitation homes shall not include  
18 halfway houses or clean and sober homes.

19 "Elder" means an elder as defined under section ~~[201G-1.]~~  
20 356D-1.

21 "Halfway house" ~~[is defined as]~~ means a group living  
22 facility for people who:



- 1 (1) Have been released or are under supervised release  
2 from a correctional facility;
- 3 (2) Have been released from a mental health treatment  
4 facility; or
- 5 (3) Are receiving substance abuse or sex offender  
6 treatment; and
- 7 are housed to participate in programs that help them readjust to  
8 living in the community.

9 "Intermediate care facility/mental retardation-community"  
10 means [as] an identifiable unit providing residence and care for  
11 eight or fewer mentally retarded individuals. Its primary  
12 purpose is the provision of health, social, and rehabilitation  
13 services to the mentally retarded through an individually  
14 designed active treatment program for each resident. No person  
15 who is predominantly confined to bed shall be admitted as a  
16 resident of such a facility.

17 "Mental health treatment facility" means a psychiatric  
18 facility or special treatment facility as defined under section  
19 334-1.

20 "Mentally ill person" has the same meaning as defined under  
21 section 334-1.



1 "Totally disabled person" means a "person totally disabled"  
2 as defined under section 235-1.

3 "Treatment program" means a "substance abuse program" or  
4 "treatment program", as those terms are defined under section  
5 353G-2."

6 SECTION 8. Section 46-15.1, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

8 "(a) Any law to the contrary notwithstanding, any county  
9 shall have and may exercise the same powers, subject to  
10 applicable limitations, as those granted the Hawaii housing  
11 finance and development corporation pursuant to chapter [~~201G~~]  
12 201H insofar as such powers may be reasonably construed to be  
13 exercisable by a county for the purpose of developing,  
14 constructing, and providing [~~low~~] low- and [~~moderate-income~~]  
15 moderate-income housing; provided that no county shall be  
16 empowered to cause the State to issue general obligation bonds  
17 to finance a project pursuant to this section; provided further  
18 that county projects shall be granted an exemption from general  
19 excise or receipts taxes in the same manner as projects of the  
20 Hawaii housing finance and development corporation pursuant to  
21 section [~~{201G-116},~~] 201H-36; and provided further that [~~the~~  
22 ~~provisions of~~] section [~~201G-15~~] 201H-16 shall not apply to this



1 section unless federal guidelines specifically provide local  
2 governments with that authorization and the authorization does  
3 not conflict with any state laws. The powers shall include the  
4 power, subject to applicable limitations, to:

- 5 (1) Develop and construct dwelling units, alone or in  
6 partnership with developers;
- 7 (2) Acquire necessary land by lease, purchase, exchange,  
8 or eminent domain;
- 9 (3) Provide assistance and aid to a public agency or  
10 person in developing and constructing new housing and  
11 rehabilitating [~~old~~] existing housing for elders of  
12 [~~low~~] low- and [~~moderate-income,~~] moderate-income,  
13 other persons of [~~low~~] low- and [~~moderate-income,~~]  
14 moderate-income, and persons displaced by any  
15 governmental action, by making long-term mortgage or  
16 interim construction loans available;
- 17 (4) Contract with any eligible bidders to provide for  
18 construction of urgently needed housing for persons of  
19 [~~low~~] low- and [~~moderate-income,~~] moderate-income;
- 20 (5) Guarantee the top twenty-five per cent of the  
21 principal balance of real property mortgage loans,



- 1 plus interest thereon, made to qualified borrowers by  
2 qualified lenders;
- 3 (6) Enter into mortgage guarantee agreements with  
4 appropriate officials of any agency or instrumentality  
5 of the United States in order to induce those  
6 officials to commit to insure or to insure mortgages  
7 under [~~the provisions of~~] the National Housing Act, as  
8 amended;
- 9 (7) Make a direct loan to any qualified buyer for the  
10 downpayment required by a private lender to be made by  
11 the borrower as a condition of obtaining a loan from  
12 the private lender in the purchase of residential  
13 property;
- 14 (8) Provide funds for a share, not to exceed fifty per  
15 cent, of the principal amount of a loan made to a  
16 qualified borrower by a private lender who is unable  
17 otherwise to lend the borrower sufficient funds at  
18 reasonable rates in the purchase of residential  
19 property; and
- 20 (9) Sell or lease completed dwelling units.





1 For purposes of this section, a limitation is applicable to  
2 the extent that it may reasonably be construed to apply to a  
3 county."

4 SECTION 9. Section 46-15.2, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "**§46-15.2 Housing; additional county powers.** In addition  
7 and supplemental to the powers granted to counties by section  
8 46-15.1, ~~[any]~~ a county shall have and may exercise any of the  
9 following powers:

10 (1) To provide assistance and aid to persons of ~~[low]~~ low-  
11 and ~~[moderate-income]~~ moderate-income in acquiring  
12 housing by ~~[providing]~~ :

13 (A) Providing loans secured by a mortgage~~[, including~~  
14 ~~by acquiring such]~~ ;

15 (B) Acquiring the loans from private lenders ~~[for~~  
16 ~~which such]~~ where the county has made advance  
17 commitment to acquire ~~[such]~~ the loans~~[, and to~~  
18 ~~make]~~ ; and

19 (C) Making and ~~[execute]~~ executing contracts with  
20 private lenders or a public agency for the  
21 origination and servicing of ~~[such]~~ the loans and



1           ~~[pay]~~ paying the reasonable value of ~~[such]~~ the  
2           services;

3       (2) In connection with the exercise of any powers granted  
4       under this section or section 46-15.1, to establish  
5       one or more loan programs and to issue bonds under  
6       chapter 47 or 49 to provide moneys to carry out the  
7       purposes of this section or section 46-15.1; provided  
8       that:

9       (A) If bonds are issued pursuant to chapter 47 to  
10       finance one or more loan programs, the county may  
11       establish such qualifications as it deems  
12       appropriate;

13       (B) If bonds are issued pursuant to chapter 49 to  
14       finance one or more loan programs, ~~[such]~~ the  
15       loan program or programs shall comply with ~~[the~~  
16       ~~provisions of part III.B]~~ part III, subpart B of  
17       chapter ~~[201G]~~ 201H;

18       (C) If bonds are issued pursuant to section 47-4 or  
19       chapter 49, any loan program established pursuant  
20       to this section or any county-owned dwelling  
21       units constructed under section 46-15.1 shall be  
22       and constitute an "undertaking" under section

1 49-1 and [~~the provisions of~~] chapter 49 shall  
2 apply to [~~such~~] the loan program or county-owned  
3 dwelling units to the extent applicable;

4 (D) In connection with the establishment of any loan  
5 program pursuant to this section, a county may  
6 employ financial consultants, attorneys, real  
7 estate counselors, appraisers, and [~~such~~] other  
8 consultants as may be required in the judgment of  
9 the county and fix and pay their compensation  
10 from funds available to the county therefor;

11 (E) Notwithstanding any limitation otherwise  
12 established by law, with respect to the rate of  
13 interest on any loan made under any loan program  
14 established pursuant to this section, [~~such~~] the  
15 loan may bear such rate or rates of interest per  
16 year as the county shall determine; provided that  
17 no loan made from the proceeds of any bonds of  
18 the county shall be under terms or conditions  
19 [~~which~~] that would cause the interest on [~~such~~]  
20 the bonds to be deemed subject to income taxation  
21 by the United States [~~of America~~];



- 1 (F) Notwithstanding any limitation otherwise
- 2 established by law, with respect to the amount of
- 3 compensation permitted to be paid for the
- 4 servicing of loans made under any loan program
- 5 established pursuant to this section, a county
- 6 may fix such reasonable compensation as the
- 7 county may determine;
- 8 (G) Notwithstanding the requirement of any other law,
- 9 a county may establish [~~such~~] separate funds and
- 10 accounts with respect to bonds issued pursuant to
- 11 chapter 47 or 49 to provide moneys to carry out
- 12 the purposes of this section or section 46-15.1
- 13 as [~~such~~] the county may deem appropriate;
- 14 (H) Notwithstanding any provision of chapter 47 or 49
- 15 or of any other law, but subject to the
- 16 limitations of the [~~State Constitution,~~] state
- 17 constitution, bonds issued to provide moneys to
- 18 carry out the purposes of this section or section
- 19 46-15.1 may be sold at public or private sale at
- 20 [~~such~~] a price[~~7~~]; may bear interest at [~~such~~] a
- 21 rate or rates per year[~~7~~]; may be payable at
- 22 [~~such~~] a time or times[~~7~~]; may mature at [~~such~~] a



1 time or times[~~7~~]; may be made redeemable before  
2 maturity at the option of the county, the holder,  
3 or both, at [~~such~~] a price or prices and upon  
4 [~~such~~] terms and conditions[~~7~~]; and may be issued  
5 in coupon or registered form, or both, [~~all~~] as  
6 the county may determine;

7 (I) If deemed necessary or advisable, the county may  
8 designate a national or state bank or trust  
9 company within or without the State to serve as  
10 trustee for the holders of bonds issued to  
11 provide moneys to carry out the purposes of this  
12 section or section 46-15.1, and enter into a  
13 trust indenture, trust agreement, or indenture of  
14 mortgage with such trustee whereby [~~such~~] the  
15 trustee may be authorized to receive and receipt  
16 for, hold, and administer the proceeds of [~~such~~]  
17 the bonds and to apply the proceeds to the  
18 purposes for which [~~such~~] the bonds are issued,  
19 or to receive and receipt for, hold, and  
20 administer the revenues and other receipts  
21 derived by the county from the application of the  
22 proceeds of [~~such~~] the bonds and to apply [~~such~~]



1           the revenues and receipts to the payment of the  
2           principal of, or interest on [~~such~~] the bonds, or  
3           both. Any [~~such~~] trust indenture, trust  
4           agreement, or indenture of mortgage entered into  
5           with the trustee may contain any covenants and  
6           provisions as may be deemed necessary,  
7           convenient, or desirable by the county [~~in order~~]  
8           to secure [~~such~~] the bonds. The county may  
9           pledge and assign to the trustee any agreements  
10          related to the application of the proceeds of  
11          [~~such~~] the bonds and the rights of the county  
12          thereunder, including the rights to revenues and  
13          receipts derived thereunder. Upon appointment of  
14          the trustee, the director of finance of the  
15          county may elect not to serve as fiscal agent for  
16          the payment of the principal and interest, and  
17          for the purchase, registration, transfer,  
18          exchange, and redemption, of [~~such~~] the bonds[~~]~~;  
19          or may elect to limit the functions the director  
20          of finance performs as [~~such~~] a fiscal agent[~~]~~;  
21          and may appoint [~~the~~] a trustee to serve as the  
22          fiscal agent[~~]~~; and may authorize and empower



1 the trustee to perform [~~such~~] the functions with  
2 respect to [~~such~~] payment, purchase,  
3 registration, transfer, exchange, and redemption,  
4 as the director of finance deems necessary,  
5 advisable, or expedient, including, without  
6 limitation, the holding of [~~such~~] the bonds and  
7 coupons [~~which~~] that have been paid and the  
8 supervision and conduction or the destruction  
9 thereof in accordance with law;

10 (J) If a trustee is not appointed to collect, hold,  
11 and administer the proceeds of bonds issued to  
12 provide moneys to carry out the purposes of this  
13 section or section 46-15.1, or the revenues and  
14 receipts derived by the county from the  
15 application of the proceeds of [~~such~~] the bonds,  
16 [~~all~~] as provided in subparagraph (I), the  
17 director of finance of [~~such~~] the county may hold  
18 [~~such~~] the proceeds or revenues and receipts[~~, as~~  
19 ~~the case may be,~~] in a separate account in the  
20 treasury of the county, to be applied solely to  
21 the carrying out of the ordinance, trust  
22 indenture, trust agreement, or indenture of



1 mortgage, if any, authorizing or securing [~~such~~]  
2 the bonds; and

3 (K) Any law to the contrary notwithstanding, the  
4 investment of funds held in reserves and sinking  
5 funds related to bonds issued to provide moneys  
6 to carry out the purposes of this section or  
7 section 46-15.1 shall comply with [~~the provisions~~  
8 ~~of~~] section [~~201G-167;~~] 201H-77; provided that  
9 any investment [~~which~~] that requires approval by  
10 the county council pursuant to section 46-48 or  
11 46-50 [~~must~~] shall first be approved by the  
12 county council[~~;~~];

13 (3) To acquire [~~such~~] policies of insurance and enter into  
14 [~~such~~] banking arrangements as [~~such~~] the county may  
15 deem necessary [~~in order~~] to better secure bonds  
16 issued to provide money to carry out the purposes of  
17 this section or section 46-15.1, including[~~;~~] without  
18 limitation[~~;~~] contracting for a support facility or  
19 facilities as may be necessary with respect to bonds  
20 issued with a right of the holders to put [~~such~~] the  
21 bonds and contracting for interest rate swaps; and



1 (4) To do any and all other things necessary or  
2 appropriate to carry out the purposes and exercise the  
3 powers granted in section 46-15.1 and this section."

4 SECTION 10. Section 53-17, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "**§53-17 Bonds of agency to be legal investments.** Bonds  
7 issued by a redevelopment agency in connection with one or more  
8 redevelopment plans or redevelopment projects pursuant to this  
9 part shall be legal investments and security for public deposits  
10 to the same extent and for the same public officers and bodies,  
11 political subdivisions, persons, companies, corporations,  
12 associations, banks, institutions, and fiduciaries as bonds or  
13 obligations issued by the Hawaii housing finance and development  
14 corporation under chapter [~~201G~~] 201H in connection with slum  
15 clearance and housing projects."

16 SECTION 11. Section 104-2, Hawaii Revised Statutes, is  
17 amended by amending subsection (a) to read as follows:

18 "(a) This chapter shall apply to every contract in excess  
19 of \$2,000 for construction of a public work project to which a  
20 governmental contracting agency is a party; provided that this  
21 chapter shall not apply to experimental and demonstration  
22 housing developed pursuant to section 46-15 or housing developed



1 pursuant to chapter [~~201G~~] 201H if the cost of the project is  
2 less than \$500,000 and the eligible bidder or eligible developer  
3 is a private nonprofit corporation.

4 For the purposes of this subsection:

5 "Contract" includes but is not limited to any agreement,  
6 purchase order, or voucher in excess of \$2,000 for construction  
7 of a public work project.

8 "Governmental contracting agency" includes any person or  
9 entity that causes, either directly or indirectly, the building  
10 or development of a public work.

11 "Party" includes eligible bidders for and eligible  
12 developers of any public work and any housing under chapter  
13 [~~201G,~~] 201H; provided that this subsection shall not apply to  
14 any housing developed under section 46-15 or chapter [~~201G~~] 201H  
15 if the entire cost of the project is less than \$500,000 and the  
16 eligible bidder or eligible developer is a private nonprofit  
17 corporation.

18 "Public work" means any project, including development of  
19 any housing pursuant to section 46-15 or chapter [~~201G,~~] 201H,  
20 and development, construction, renovation, and maintenance  
21 related to refurbishment of any real or personal property, where  
22 the funds or resources required to undertake the project are to



1 any extent derived, either directly or indirectly, from public  
2 revenues of the State or any county, or from the sale of  
3 securities or bonds whose interest or dividends are exempt from  
4 state or federal taxes."

5 SECTION 12. Section 171-18.5, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "**§171-18.5 Sugarcane lands conveyed for the development of**  
8 **housing projects.** (a) This section applies to the amount to  
9 which the department of Hawaiian home lands is entitled pursuant  
10 to [~~Article~~] article XII, [~~Section~~] section 1 of the [~~State~~  
11 ~~Constitution~~] state constitution, from land as designated in  
12 subsection (e) previously cultivated as sugarcane land under any  
13 provision of law [~~which~~] that is conveyed by the department to  
14 the Hawaii housing finance and development corporation for the  
15 development of housing projects as defined under section [~~201G-~~  
16 ~~1-~~] 201H-1. The amount to which the department of Hawaiian home  
17 lands is entitled shall be determined by multiplying the fair  
18 market value of the land by thirty per cent. For the purpose of  
19 this section[~~, "fair~~]:

20 "Fair market value" means the amount of money [~~which~~] that  
21 a purchaser willing but not obliged to buy the land would pay to  
22 an owner willing but not obliged to sell it, taking into



1 consideration the highest and best use of the land. [~~For the~~  
2 ~~purpose of this section, "highest]~~

3 "Highest and best use" means the most profitable, probable,  
4 and legal use to which the land can be put.

5 (b) Fair market value shall be determined on a per acre  
6 basis pursuant to appraisals performed in conformance with the  
7 uniform standards of professional appraisal practice as adopted  
8 by the department of commerce and consumer affairs, not more  
9 than ninety days before the conveyance of the land to the Hawaii  
10 housing finance and development corporation. The appraisals  
11 shall be performed by two disinterested appraisers each of whose  
12 services shall be contracted by the department and the  
13 department of Hawaiian home lands, respectively. If the land is  
14 [~~of~~] sugarcane lands and of the public land trust, as defined in  
15 section 10-2, the department of Hawaiian home lands and the  
16 office of Hawaiian affairs shall contract the services of one  
17 appraiser. The parties shall contract the services of the two  
18 appraisers within thirty days after the department gives written  
19 notice to the department of Hawaiian home lands, together with  
20 the office of Hawaiian affairs if the land is [~~of~~] sugarcane  
21 lands and of the public land trust, of the proposed conveyance



1 of the land to the Hawaii housing finance and development  
2 corporation.

3 If any party fails or refuses to contract the services of  
4 an appraiser, then the other party may petition [~~the presiding~~  
5 ~~judge of~~] the circuit court [~~of the State~~] in the county where  
6 the land is located to appoint the other of the two appraisers.  
7 If the two appraisers are unable to agree on a fair market  
8 value, then within thirty days thereafter, the department and  
9 the department of Hawaiian home lands, together with the office  
10 of Hawaiian affairs if the land is [~~of~~] sugarcane lands and of  
11 the public land trust, shall contract for the services of a  
12 mutually [~~selected~~] agreed upon third appraiser and the decision  
13 of the majority of the appraisers shall be final with respect to  
14 determination of the fair market value[~~-~~] of the land. If the  
15 department and the department of Hawaiian home lands, together  
16 with the office of Hawaiian affairs if the land is [~~of~~]  
17 sugarcane lands and of the public land trust, are unable to  
18 agree on the selection of the third appraiser, any party may  
19 petition [~~the presiding judge of~~] the circuit court [~~of the~~  
20 ~~State~~] in the county where the land is located to appoint the  
21 third appraiser.



1           (c) The amount due to the department of Hawaiian home  
2 lands shall be due and payable by the State on the date of  
3 conveyance of the land to the Hawaii housing finance and  
4 development corporation. Payment to the department of Hawaiian  
5 home lands may be in the form of public lands or moneys. If  
6 payment is to be made in the form of public lands, the lands  
7 shall be mutually agreed upon by the department of land and  
8 natural resources and the department of Hawaiian home lands, and  
9 shall be of value comparable to the amount due to the department  
10 of Hawaiian home lands. Any monetary payment shall be an  
11 obligation of the Hawaii housing finance and development  
12 corporation. Any portion of that amount that is not paid on the  
13 date of conveyance shall be subject to simple interest annually,  
14 established pursuant to the fifteen year treasury rate at the  
15 time of the conveyance and payable annually by the State to the  
16 department of Hawaiian home lands.

17           (d) Thirty per cent of the revenue received by the Hawaii  
18 housing finance and development corporation from commercial,  
19 industrial, or other [~~non-residential~~] nonresidential use of the  
20 land shall be paid annually to the department of Hawaiian home  
21 lands[7]; provided that:



- 1           (1) The department of Hawaiian home lands shall not  
2           receive payment under this subsection until the Hawaii  
3           housing finance and development corporation recovers  
4           all moneys previously paid to the department of  
5           Hawaiian home lands for that portion of land used for  
6           commercial, industrial, or other [~~non-residential~~]  
7           nonresidential purposes;
- 8           (2) If borrowed moneys are used to finance the development  
9           of land for commercial, industrial, or other [~~non-~~  
10           residential] nonresidential purposes, annual payments  
11           due to the department of Hawaiian home lands under  
12           this subsection shall be made pursuant to the  
13           following order of priority:
- 14           (A) The Hawaii housing finance and development  
15           corporation satisfies as a first priority the  
16           amount computed annually on the pro rata portion  
17           (not the total debt service over the life of the  
18           debt) of its total debt service on the borrowed  
19           moneys;
- 20           (B) The Hawaii housing finance and development  
21           corporation satisfies as a second priority its  
22           operating expense obligations [~~+~~]directly



1 incurred from the development and operating of  
2 land used for commercial, industrial, or other  
3 [~~non-residential~~] nonresidential purposes[+] in  
4 an amount not exceeding one per cent of revenues;  
5 and

6 (C) After the first and second priorities are  
7 satisfied, the Hawaii housing finance and  
8 development corporation shall make annual  
9 payments due to the department of Hawaiian home  
10 lands under this subsection from any remaining  
11 revenues; and

12 (3) In the event of a sale of land used for commercial,  
13 industrial, or other [~~non-residential~~] nonresidential  
14 purposes, the department of Hawaiian home lands shall  
15 receive thirty per cent of the revenue received by the  
16 Hawaii housing finance and development corporation.

17 (e) This section shall only apply to the Hawaii housing  
18 finance and development corporation's developments known as the  
19 villages of Leali'i, Maui, and villages of La'i'opua, Hawaii."

20 SECTION 13. Section 171-19.5, Hawaii Revised Statutes, is  
21 amended by amending subsection (c) to read as follows:





1           "(c) Upon fulfillment of the purposes of this section, any  
2 unexpended or unencumbered funds appropriated by the legislature  
3 or remaining in the infrastructure development fund as of the  
4 close of business on December 31, 2004, shall not lapse into  
5 that fund or to the credit of the general fund, but shall be  
6 transferred to the credit of the Kikala-Keokea housing revolving  
7 fund established in section [~~201G-170.5~~] 201H-81 as of that  
8 date; provided that any unexpended or unencumbered moneys that  
9 were provided by the office of Hawaiian affairs and deposited  
10 into the infrastructure development fund for the purpose of  
11 infrastructure development shall be refunded to the office of  
12 Hawaiian affairs upon the completion of the fund's intended  
13 purpose. No funds shall be transferred until all funding  
14 commitments entered into by the department of land and natural  
15 resources to complete the design and construction of  
16 infrastructure improvements have been executed."

17           SECTION 14. Section 201H-10, Hawaii Revised Statutes, is  
18 amended by amending subsection (b) to read as follows:

19           "(b) For the purpose of aiding and cooperating in the  
20 planning, construction, and operation of housing projects  
21 located within their respective territorial boundaries, any



1 state or county agency, upon those terms, with or without  
2 consideration, as it determines, may:

3 (1) Dedicate, grant, sell, convey, or lease any of its  
4 property or grant easements, licenses, or any other  
5 rights or privileges therein to the corporation or to  
6 the federal government;

7 (2) To the extent that it is within the scope of the  
8 agency:

9 (A) Cause the services customarily provided by the  
10 agency to be rendered for the benefit of housing  
11 projects and the occupants thereof;

12 (B) Provide and maintain parks [~~and~~], sewage, water,  
13 lights, and other facilities adjacent to or in  
14 connection with housing projects;

15 (C) Open, close, pave, install, or change the grade  
16 of streets, roads, roadways, alleys, sidewalks,  
17 or other related facilities; and

18 (D) Change the map of a political subdivision or  
19 plan, replan, zone, or rezone any part of a  
20 political subdivision;

21 (3) Enter into agreements with the corporation with  
22 respect to the exercise of their powers relating to



1 the repair, closing, or demolition of unsafe,  
2 unsanitary, or unfit dwellings;

3 (4) Employ, notwithstanding any other law as to what  
4 constitutes legal investments, any available funds  
5 belonging to them or within their control, including  
6 funds derived from the sale or furnishing of property  
7 or facilities to the corporation, in the purchase of  
8 bonds or other obligations of the corporation [~~to the~~  
9 ~~extent provided under section 201G-161~~]; and exercise  
10 all the rights of any holder of the bonds or other  
11 obligations;

12 (5) Do any and all things necessary or convenient to aid  
13 and cooperate in the planning, undertaking, and  
14 construction of [~~such~~] those housing projects; and

15 (6) Enter into contracts with the corporation or the  
16 federal government for any period agreeing to exercise  
17 any of the powers conferred hereby or to take any  
18 other action in aid of [~~such~~] those housing projects.

19 In connection with the exercise of this power, any  
20 political subdivision may incur the entire expense of any [~~such~~]  
21 public improvements located within its territorial boundaries  
22 without assessment against abutting property owners.



1 For the purpose of aiding and cooperating in the planning,  
2 construction, and operation of housing projects, the department  
3 of land and natural resources, the Hawaiian homes commission,  
4 and any other agency of the State having power to manage or  
5 dispose of its public lands, with the approval of the governor  
6 and with or without consideration, may grant, sell, convey, or  
7 lease, for any period, any parts of [~~such~~] those public lands,  
8 without limit as to area, to the corporation or to the federal  
9 government.

10 Any law to the contrary notwithstanding, any gift, grant,  
11 sale, conveyance, lease, or agreement provided for in this  
12 section may be made by the state or county government without  
13 appraisal, public notice, advertisement, or public bidding.

14 If at any time title to, or possession of, any housing  
15 project is held by any governmental agency authorized by law to  
16 engage in the development or administration of [~~low-rent~~] low-  
17 income housing or slum clearance projects, any agreement made  
18 under this chapter relating to the project shall inure to the  
19 benefit of and may be enforced by that governmental agency.

20 Insofar as this subsection is inconsistent with the  
21 provisions of any other law, this subsection shall be  
22 controlling."



1 SECTION 15. Section 205-4, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) Any department or agency of the State, any department  
4 or agency of the county in which the land is situated, or any  
5 person with a property interest in the land sought to be  
6 reclassified, may petition the land use commission for a change  
7 in the boundary of a district. This section applies to all  
8 petitions for changes in district boundaries of lands within  
9 conservation districts, lands designated or sought to be  
10 designated as important agricultural lands, and lands greater  
11 than fifteen acres in the agricultural, rural, and urban  
12 districts, except as provided in section [~~201G-118.~~] 201H-38.  
13 The land use commission shall adopt rules pursuant to chapter 91  
14 to implement section [~~201G-118.~~] 201H-38."

15 SECTION 16. Section 206-1, Hawaii Revised Statutes, is  
16 amended as follows:

17 1. By adding a definition for "federal government" to  
18 read:

19 "Federal government" shall have the same meaning as set  
20 forth in section 201H-1."

21 2. By amending the definitions of "government" and  
22 "federal government" to read:



1        ""Government" [~~and "federal government"~~] shall have the  
2        respective meaning set forth in section [~~201G-1.~~] 201H-1."

3        3. By amending the definition of "lands" to read:

4        ""Lands" means either undeveloped lands or land together  
5        with improvements and appurtenances and includes real property  
6        as defined in section [~~201G-1.~~] 201H-1. All lands owned by the  
7        State [~~or~~], any political subdivision, or the federal government  
8        are "government lands". All other lands are "private lands"."

9        SECTION 17. Section 237-23, Hawaii Revised Statutes, is  
10       amended by amending subsection (a) to read as follows:

11       (a) This chapter shall not apply to the following  
12       persons:

13       (1) Public service companies [~~+~~]as that term is defined in  
14       section 239-2[~~+~~], with respect to the gross income,  
15       either actual gross income or gross income estimated  
16       and adjusted, [~~which~~] that is included in the measure  
17       of the tax imposed by chapter 239;

18       (2) Public utilities owned and operated by the State or  
19       any county, or other political subdivision thereof;

20       (3) Fraternal benefit societies, orders, or associations,  
21       operating under the lodge system, or for the exclusive  
22       benefit of the members of the fraternity itself,



1 operating under the lodge system, and providing for  
2 the payment of death, sick, accident, prepaid legal  
3 services, or other benefits to the members of [~~such~~]  
4 the societies, orders, or associations, and to their  
5 dependents;

6 (4) Corporations, associations, trusts, or societies  
7 organized and operated exclusively for religious,  
8 charitable, scientific, or educational purposes, as  
9 well as that of operating senior citizens housing  
10 facilities qualifying for a loan under the laws of the  
11 United States as authorized by section 202 of the  
12 Housing Act of 1959, as amended, as well as that of  
13 operating a prepaid legal services plan, as well as  
14 that of operating or managing a homeless facility, or  
15 any other program for the homeless authorized under  
16 [~~chapter 201C, part IV;~~] part VII of chapter 356D;

17 (5) Business leagues, chambers of commerce, boards of  
18 trade, civic leagues, agricultural and horticultural  
19 organizations, and organizations operated exclusively  
20 for the benefit of the community and for the promotion  
21 of social welfare [~~which~~] that shall include the  
22 operation of a prepaid legal service plan, and from



1           which no profit inures to the benefit of any private  
2           stockholder or individual;

3           (6) Hospitals, infirmaries, and sanitararia;

4           (7) Cooperative associations incorporated under chapter  
5           421 or Code section 521 cooperatives which fully meet  
6           the requirements of section 421-23, except Code  
7           section 521 cooperatives need not be organized in  
8           Hawaii; provided that:

9           (A) The exemption shall apply only to the gross  
10           income derived from activities [~~which~~] that are  
11           pursuant to purposes and powers authorized by  
12           chapter 421, except those provisions pertaining  
13           to or requiring corporate organization in Hawaii  
14           do not apply to Code section 521 cooperatives;

15           (B) The exemption shall not relieve any person who  
16           receives any proceeds of sale from the  
17           association of the duty of returning and paying  
18           the tax on the total gross proceeds of the sales  
19           on account of which the payment was made, in the  
20           same amount and at the same rate as would apply  
21           thereto had the sales been made directly by the





1 person, and all [~~such~~] those persons shall be so  
2 taxable; and

3 (C) As used in this paragraph, "section 521  
4 cooperatives" mean associations [~~which~~] that  
5 qualify as a cooperative under section 521 (with  
6 respect to exemption of farmers' cooperatives  
7 from tax) of the Internal Revenue Code of 1986,  
8 as amended;

9 (8) Persons affected with Hansen's disease and kokuas,  
10 with respect to business within the county of Kalawao;

11 (9) Corporations, companies, associations, or trusts  
12 organized for the establishment and conduct of  
13 cemeteries no part of the net earnings of which inures  
14 to the financial benefit of any private stockholder or  
15 individual; [~~+~~]provided that the exemption shall apply  
16 only to the activities of [~~such~~] those persons in the  
17 conduct of cemeteries and shall not apply to any  
18 activity the primary purpose of which is to produce  
19 income, even though the income is to be used for or in  
20 the furtherance of the exempt activities of [~~such~~]  
21 those persons[~~+~~]; and



1 (10) Nonprofit shippers associations operating under part  
2 296 of the Civil Aeronautics Board Economic  
3 Regulations."

4 SECTION 18. Section 237-29, Hawaii Revised Statutes, is  
5 amended by amending subsections (a) and (b) to read as follows:

6 "(a) All gross income received by any qualified person or  
7 firm for the planning, design, financing, construction, sale, or  
8 lease in the State of a housing project [~~which~~] that has been  
9 certified or approved under section [~~201G-116~~] 201H-36 shall be  
10 exempt from general excise taxes.

11 (b) All gross income received by a nonprofit or a limited  
12 distribution mortgagor for a [~~low~~] low- and [~~moderate-income~~]  
13 moderate-income housing project certified or approved under  
14 section [~~201G-116~~] 201H-36 shall be exempt from general excise  
15 taxes."

16 SECTION 19. Section 247-7, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "**§247-7 Disposition of taxes.** All taxes collected under  
19 this chapter shall be paid into the state treasury to the credit  
20 of the general fund of the State, to be used and expended for  
21 the purposes for which the general fund was created and exists  
22 by law; provided that of the taxes collected each fiscal year:



- 1 (1) Ten per cent shall be paid into the land conservation  
2 fund established pursuant to section 173A-5;
- 3 (2) Thirty per cent shall be paid into the rental housing  
4 trust fund established by section [~~201G-432;~~  
5 201H-202; and
- 6 (3) Twenty-five per cent shall be paid into the natural  
7 area reserve fund established by section 195-9;  
8 provided that the funds paid into the natural area  
9 reserve fund shall be annually disbursed by the  
10 department of land and natural resources in the  
11 following priority:
- 12 (A) To natural area partnership and forest  
13 stewardship programs after joint consultation  
14 with the forest stewardship committee and the  
15 natural area reserves system commission;
- 16 (B) Projects undertaken in accordance with watershed  
17 management plans pursuant to section 171-58 or  
18 watershed management plans negotiated with  
19 private landowners, and management of the natural  
20 area reserves system pursuant to section 195-3;  
21 and



1 (C) The youth conservation corps established under  
2 chapter 193."

3 SECTION 20. Section 321-15.6, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) The director shall adopt rules regarding adult  
6 residential care homes in accordance with chapter 91 that shall  
7 be designed to:

8 (1) Protect the health, safety, and civil rights of  
9 persons residing in facilities regulated;

10 (2) Provide for the licensing of adult residential care  
11 homes; provided that the rules shall allow group  
12 living in two categories of adult residential care  
13 homes as licensed by the department of health:

14 (A) Type I allowing five or fewer residents; provided  
15 that up to six residents may be allowed at the  
16 discretion of the department to live in a type I  
17 home; provided further that the primary caregiver  
18 or home operator is a certified nurse aide who  
19 has completed a state-approved training program  
20 and other training as required by the department;  
21 and



1 (B) Type II allowing six or more residents, including  
2 but not limited to the mentally ill, elders,  
3 persons with disabilities, the developmentally  
4 disabled, or totally disabled persons who are not  
5 related to the home operator or facility staff;

6 (3) Comply with applicable federal laws and regulations of  
7 Title XVI of the Social Security Act, as amended; and

8 (4) Provide penalties for the failure to comply with any  
9 rule.

10 For the purposes of this subsection:

11 "Developmentally disabled" means a person with  
12 developmental disabilities as defined under section 333F-1.

13 "Elder" has the same meaning as defined under section  
14 [~~201G-1.~~] 356D-1.

15 "Mentally ill" means a mentally ill person as defined under  
16 section 334-1.

17 "Persons with disabilities" means persons having a  
18 disability under section 515-2.

19 "Totally disabled person" has the same meaning as a person  
20 totally disabled as defined under section 235-1."

21 SECTION 21. Section 346-152, Hawaii Revised Statutes, is  
22 amended by amending subsection (a) to read as follows:



- 1        "(a) Nothing in this part shall be construed to include:
- 2        (1) A person caring for children related to the caregiver
- 3                by blood, marriage, or adoption;
- 4        (2) A person, group of persons, or facility caring for a
- 5                child less than six hours a week;
- 6        (3) A kindergarten, school, or program licensed by the
- 7                department of education;
- 8        (4) A program that provides exclusively for a specialized
- 9                training or skill development for children,
- 10               including~~[7]~~ but not limited to~~[7]~~ programs providing
- 11               ~~[such]~~ activities such as athletic sports, foreign
- 12               language, the Hawaiian language, dance, drama, music,
- 13               or martial arts;
- 14        (5) A multiservice organization or community association,
- 15               duly incorporated under the laws of the State~~[7, which]~~
- 16               that operates for the purpose of promoting recreation,
- 17               health, safety, or social group functions for eligible
- 18               pupils in public and private schools through seventeen
- 19               years of age;
- 20        (6) Programs for children four years of age and older~~[7~~
- 21               ~~which]~~ that operate for no more than two consecutive
- 22               calendar weeks in a three-month period;



- 1 (7) A provider agency operating or managing a homeless  
2 facility or any other program for homeless persons  
3 authorized under part [~~IV~~] VII of chapter [~~2016~~]  
4 356D;
- 5 (8) After-school, weekend, and summer recess programs  
6 conducted by the department of education pursuant to  
7 section 302A-408;
- 8 (9) Child care programs for children five years of age and  
9 older conducted by counties pursuant to section  
10 302A-408; provided that each county [~~adopt~~] adopts  
11 rules for its programs;
- 12 (10) Any person who enters a home in a child caring  
13 capacity and only cares for children who are of that  
14 household; and
- 15 (11) A person caring for two or fewer children unrelated to  
16 the caregiver by blood, marriage, or adoption."

17 SECTION 22. Section 467-2, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "**§467-2 Exceptions.** The provisions requiring licensing as  
20 a real estate broker or salesperson shall not apply:

- 21 (1) To any individual who, as owner of any real estate or  
22 acting under power of attorney from the owner,



1 performs any of the acts enumerated in the definitions  
2 of real estate broker and real estate salesperson with  
3 reference to [~~such~~] the real estate; provided that the  
4 term "owner" as used in this paragraph shall not  
5 include any individual engaged in the business of real  
6 estate development or brokerage or include an  
7 individual who acquires any interest in any real  
8 estate for the purpose or as a means of evading the  
9 licensing requirements of this chapter; and provided  
10 further that the term individual "acting under power  
11 of attorney" as used in this paragraph shall not  
12 include any individual engaged in the business of real  
13 estate development or brokerage or any individual who  
14 acts under a power of attorney for the purpose or as a  
15 means of evading the licensing requirements of this  
16 chapter;

- 17 (2) To any person acting as a receiver, trustee in  
18 bankruptcy, personal representative, or trustee acting  
19 under any trust agreement, deed of trust, or will, or  
20 otherwise acting under any order of authorization of  
21 any court;





1           (3) To any individual who leases, offers to lease, rents,  
 2           or offers to rent, any real estate or the improvements  
 3           thereon of which the individual is the custodian or  
 4           caretaker;

5           (4) To any person who manages, rents, or operates a hotel;  
 6           or

7           (5) To any provider agency owning, leasing, operating, or  
 8           managing a homeless facility~~[7]~~ or any other program  
 9           for the homeless authorized under part ~~[IV]~~ VII of  
 10          chapter ~~[201G.]~~ 356D."

11          SECTION 23. Section 480-11, Hawaii Revised Statutes, is  
 12          amended to read as follows:

13          "**§480-11 Exemption of certain cooperative organizations;**  
 14          **insurance transactions; approved mergers of federally regulated**  
 15          **companies; homeless facility and program donors and provider**  
 16          **agencies.** (a) Nothing in this chapter shall be construed to  
 17          forbid the existence and operation of fishery, agricultural, or  
 18          consumer cooperative organizations or associations instituted  
 19          for the purpose of mutual help~~[, and which]~~ that are organized  
 20          and operated under chapter 421~~[, 422,]~~ or 421C, or ~~[which]~~ that  
 21          conform and continue to conform to the requirements of the  
 22          Capper-Volstead Act (7 U.S.C. 291 and 292); provided that if any



1 [~~such~~] organization or association monopolizes or restrains  
2 trade or commerce in any section of this State to [~~such~~] an  
3 extent that the price of any fishery, agricultural, or consumer  
4 product is unduly enhanced by reason thereof, this chapter shall  
5 apply to [~~such~~] those acts.

6 (b) This chapter shall not apply to any transaction in the  
7 business of insurance [~~which~~] that is in violation of any  
8 section of this chapter if the transaction is expressly  
9 permitted by the insurance laws of this State; [~~and~~] provided  
10 [~~further~~] that nothing in this section shall render this chapter  
11 inapplicable to any agreement to boycott, coerce, or intimidate  
12 or any act of boycott, coercion, or intimidation.

13 (c) This chapter shall not apply to mergers of companies  
14 where [~~such~~] the mergers are approved by the federal regulatory  
15 agency [~~which~~] that has jurisdiction and control over [~~such~~] the  
16 mergers.

17 (d) This chapter shall not apply to:

18 (1) Any provider agencies or donors under [~~chapter 201G,~~  
19 ~~part IV;~~] part VII of chapter 356D;

20 (2) Any provider agency or donor method or act that  
21 complies with [~~chapter 201G, part IV;~~] part VII of  
22 chapter 356D; or



1 (3) Any cooperation or agreement authorized pursuant to  
2 rule under [~~chapter 201G, part IV.~~] part VII of  
3 chapter 356D."

4 SECTION 24. Section 514A-14.5, Hawaii Revised Statutes, is  
5 amended by amending subsection (c) to read as follows:

6 "(c) This section [~~does~~] shall not apply:

7 (1) To apartments developed under chapter [~~201G,~~] 201H or  
8 356D;

9 (2) To apartments in a mixed-use project developed under  
10 chapter 206E that has a shared parking program  
11 approved by the Hawaii community development  
12 authority; provided that such a program shall require  
13 the availability of the use of not less than one  
14 parking space per apartment; and

15 (3) To apartments designated in the declaration of  
16 condominium property regime for hotel, time share,  
17 transient vacation rental, or commercial use."

18 SECTION 25. Section 514A-108, Hawaii Revised Statutes, is  
19 amended by amending subsection (a) to read as follows:

20 "(a) This part shall not apply to a project developed  
21 pursuant to section 46-15 or 46-15.1, or chapter 53, [~~201G, or~~]  
22 201H, 206[+], or 356D; provided that the developer of the



1 project may elect to be subject to this part through a written  
2 notification to the commission."

3 SECTION 26. Section 514B-99.5, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5 "(a) This subpart shall not apply to:

6 (1) A project developed pursuant to section 46-15 or  
7 46-15.1, or chapter 53, [~~201G, or~~] 201H, 206[+], or  
8 356D; provided that the developer of the project may  
9 elect to be subject to this subpart through a written  
10 notification to the commission;

11 (2) Condominium projects where the developer conveys all  
12 of the residential units in the project to a spouse,  
13 or family members related by blood, descent or  
14 adoption; and

15 (3) Condominium projects consisting of two or fewer  
16 units."

17 SECTION 27. Section 516-1, Hawaii Revised Statutes, is  
18 amended by amending the definition of "corporation" to read as  
19 follows:

20 ""Corporation" means the Hawaii housing finance and  
21 development corporation created by chapter [~~+~~]201H[~~+~~]."



1 SECTION 28. Section 516-31, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§516-31 Disposition by lease.** The Hawaii housing finance  
4 and development corporation may lease any of the residential  
5 lots in a development tract at [~~such~~] lease rentals and upon  
6 [~~such~~] terms and conditions as it may determine. The leases  
7 shall be subject to all of the rights of lessees enumerated in  
8 part III [~~of this chapter~~]. The corporation [~~may~~], in its  
9 discretion, may utilize any of the residential lots and rent out  
10 the same for periods of twenty years or less for the purposes  
11 set forth in chapter [+]201H[+], or for any other purpose, all  
12 upon [~~such~~] terms and conditions as the corporation may  
13 determine."

14 SECTION 29. Section 516-104, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 **"§516-104 Revenue bonds; investment of proceeds[~~7~~] and**  
17 **redemption.** Subject to any agreement with the holders of its  
18 revenue bonds, the corporation may:

19 (1) Invest its moneys not required for immediate use,  
20 including proceeds from the sale of any revenue bonds,  
21 in accordance with section [~~201G-167~~] 201H-77; and



1           (2) Purchase its revenue bonds out of any fund or money of  
2           the corporation available therefor, and hold, cancel,  
3           or resell the revenue bonds."

4           SECTION 30. Section 521-7, Hawaii Revised Statutes, is  
5 amended to read as follows:

6           "**§521-7 Exclusions from application of chapter.** Unless  
7 created solely to avoid the application of this chapter, this  
8 chapter shall not apply to:

9           (1) Residence at an institution, whether public or  
10           private, where residence is merely incidental to  
11           detention or the provision of medical, geriatric,  
12           educational, religious, or similar services;

13           (2) Residence in a structure directly controlled and  
14           managed by the University of Hawaii for housing  
15           students or faculty of the University of Hawaii or  
16           residence in a structure erected on land leased from  
17           the University of Hawaii by a nonprofit corporation  
18           for the exclusive purpose of housing students or  
19           faculty of the University of Hawaii;

20           (3) Occupancy under a bona fide contract of sale of the  
21           dwelling unit or the property of which it is a part



- 1 where the tenant is, or succeeds to the interest of,  
2 the purchaser;
- 3 (4) Residence by a member of a fraternal organization in a  
4 structure operated without profit for the benefit of  
5 the organization;
- 6 (5) Transient occupancy on a day-to-day basis in a hotel  
7 or motel;
- 8 (6) Occupancy by an employee of the owner or landlord  
9 whose right to occupancy is conditional upon [~~such~~  
10 that employment or by a pensioner of the owner or  
11 landlord or occupancy for a period of up to four years  
12 subsequent thereto, pursuant to a plan for the  
13 transfer of the dwelling unit or the property of which  
14 it is a part to the occupant;
- 15 (7) A lease of improved residential land for a term of  
16 fifteen years or more, measured from the date of the  
17 commencement of the lease;
- 18 (8) Occupancy by the prospective purchaser after an  
19 accepted offer to purchase and prior to the actual  
20 transfer of the owner's rights;



- 1 (9) Occupancy in a homeless facility[~~7~~] or any other  
2 program for the homeless authorized under [~~chapter~~  
3 ~~201G, part IV;~~] part VII of chapter 356D;
- 4 (10) Residence or occupancy in a public housing project or  
5 complex directly controlled, owned, or managed by the  
6 Hawaii public housing authority pursuant to the  
7 federal low rent public housing program; or
- 8 (11) Residence or occupancy in a transitional facility for  
9 abused family or household members."

10 **PART II**

11 SECTION 31. During the regular session of 2006, the  
12 legislature enacted a number of measures amending chapter 201G,  
13 Hawaii Revised Statutes, the housing and community development  
14 corporation of Hawaii. Chapter 201G, Hawaii Revised Statutes,  
15 was repealed by Act 180, Session Laws of Hawaii 2006, and the  
16 functions and duties of the housing finance and development  
17 corporation of Hawaii were divided between two new agencies:  
18 The Hawaii housing finance and development corporation (chapter  
19 201H, Hawaii Revised Statutes) and the Hawaii public housing  
20 authority (chapter 356D, Hawaii Revised Statutes).

21 The purpose of this part is to amend chapters 201H and  
22 356D, Hawaii Revised Statutes, to incorporate the amendments





1 that were made to the now repealed chapter 201G, Hawaii Revised  
2 Statutes, by Acts 24, 100, 179, and 217, Session Laws of Hawaii  
3 2006.

4 SECTION 32. Section 201H-38, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) The corporation may develop on behalf of the State or  
7 with an eligible developer, or may assist under a government  
8 assistance program in the development of, housing projects that  
9 shall be exempt from all statutes, ordinances, charter  
10 provisions, and rules of any government agency relating to  
11 planning, zoning, construction standards for subdivisions,  
12 development and improvement of land, and the construction of  
13 dwelling units thereon; provided that:

14 (1) The corporation finds the housing project is  
15 consistent with the purpose and intent of this  
16 chapter, and meets minimum requirements of health and  
17 safety;

18 (2) The development of the proposed housing project does  
19 not contravene any safety standards, tariffs, or rates  
20 and fees approved by the public utilities commission  
21 for public utilities or of the various boards of water  
22 supply authorized under chapter 54;



- 1           (3) The legislative body of the county in which the  
2           housing project is to be situated shall have approved  
3           the project[+] with or without modifications:
- 4           (A) The legislative body shall approve, approve with  
5           modification, or disapprove the project by  
6           resolution within forty-five days after the  
7           corporation has submitted the preliminary plans  
8           and specifications for the project to the  
9           legislative body. If on the forty-sixth day a  
10          project is not disapproved, it shall be deemed  
11          approved by the legislative body;
- 12          (B) No action shall be prosecuted or maintained  
13          against any county, its officials, or employees  
14          on account of actions taken by them in reviewing,  
15          approving, modifying, or disapproving the plans  
16          and specifications; and
- 17          (C) The final plans and specifications for the  
18          project shall be deemed approved by the  
19          legislative body if the final plans and  
20          specifications do not substantially deviate from  
21          the preliminary plans and specifications. The  
22          final plans and specifications for the project



1 shall constitute the zoning, building,  
 2 construction, and subdivision standards for that  
 3 project. For purposes of sections 501-85 and  
 4 502-17, the executive director of the corporation  
 5 or the responsible county official may certify  
 6 maps and plans of lands connected with the  
 7 project as having complied with applicable laws  
 8 and ordinances relating to consolidation and  
 9 subdivision of lands, and the maps and plans  
 10 shall be accepted for registration or recordation  
 11 by the land court and registrar; and

12 (4) The land use commission shall approve, approve with  
 13 modification, or disapprove a boundary change within  
 14 forty-five days after the corporation has submitted a  
 15 petition to the commission as provided in section  
 16 205-4. If, on the forty-sixth day, the petition is  
 17 not disapproved, it shall be deemed approved by the  
 18 commission."

19 SECTION 33. Section 201H-202, Hawaii Revised Statutes, is  
 20 amended by amending subsection (i) to read as follows:

21 "(i) For the period commencing July 1, 2005, through  
 22 June 30, [~~2007,~~] 2009, the fund may be used to provide grants

1 for rental units set aside for persons and families with incomes  
2 at or below thirty per cent of the median family income in any  
3 project financed in whole or in part by the fund in proportion  
4 of those units to the total number of units in the project. At  
5 the conclusion of the period described in this subsection, the  
6 corporation shall report to the legislature on the number and  
7 use of grants provided and whether the grants were an effective  
8 use of the funds for purposes of developing rental housing for  
9 families at or below thirty per cent of the median family  
10 income."

11 SECTION 34. Section 356D-3, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "[~~f~~]§356D-3[~~f~~] **Board; establishment, functions, duties.**

14 (a) There is created a board of directors consisting of [~~nine~~]  
15 eleven members, of whom [~~seven~~] nine shall be public members  
16 appointed by the governor as provided in section 26-34. Public  
17 members shall be appointed from each of the counties of  
18 Honolulu, Hawaii, Maui, and Kauai. At least one public member  
19 shall be a person who is directly assisted by the authority  
20 under the federal low-rent public housing or federal section 8,  
21 tenant-based housing assistance payments program while serving  
22 on the board. One public member shall be an advocate for low-



1 income or homeless persons. One public member shall be a person  
2 with a disability or an advocate for persons with disabilities.  
3 The public members of the board shall serve four-year staggered  
4 terms; provided that the initial appointments shall be as  
5 follows: four members shall be appointed for four years; three  
6 members shall be appointed for three years; and two members  
7 shall be appointed for two years. The director of human  
8 services, or a designated representative, and a representative  
9 of the governor's office, shall be ex officio voting members.  
10 The authority shall be headed by the board.

11 (b) The board of directors shall select a chairperson and  
12 vice-chairperson from among its members. The director of human  
13 services and the governor's representative shall be ineligible  
14 to serve as chairperson of the board.

15 (c) Seven members shall constitute a quorum, whose  
16 affirmative vote shall be necessary for all actions by the  
17 authority. The members shall receive no compensation for  
18 services, but shall be entitled to necessary expenses, including  
19 travel expenses, incurred in the performance of their duties."

20 SECTION 35. Section 356D-44, Hawaii Revised Statutes, is  
21 amended to read as follows:



1 "[~~f~~]\$356D-44[~~+~~] Administration of state low-income public  
2 housing projects and programs. (a) The authority [~~may~~] shall  
3 construct, develop, and administer property or housing for the  
4 purpose of state low-income public housing projects and  
5 programs.

6 (b) The authority [~~may~~] shall offer any decommissioned  
7 low-income public housing project, except for federal housing  
8 projects, to nonprofit or for-profit organizations or government  
9 agencies for rehabilitation into emergency or transitional  
10 shelter facilities for the homeless or rehabilitation into  
11 rental units that set aside at least fifty per cent of the units  
12 to persons or families with incomes at or below fifty per cent  
13 of the area median family income[~~+~~]; provided that:

14 (1) The housing project is wholly owned by the State on  
15 either state-owned or ceded lands;

16 (2) The authority has determined that the housing project  
17 is not eligible for rehabilitation using the  
18 authority's current resources; and

19 (3) The nonprofit or for-profit organization or government  
20 agency demonstrates expertise in rehabilitation of  
21 housing projects and has community, public, and



1 private resources to substantially pay for the  
2 rehabilitation.

3 The land and improvements may be leased to the nonprofit or for-  
4 profit organization or government agency for a period not to  
5 exceed ninety-nine years for a sum of \$1 per year.

6 (c) State low-income housing projects shall be subject to  
7 chapter 521.

8 (d) The authority shall adopt necessary rules in  
9 accordance with chapter 91, including the establishment and  
10 collection of reasonable fees for administering the state low-  
11 income housing projects or programs and to carry out any state  
12 program under subsection (a)."

13 SECTION 36. Section 356D-91, Hawaii Revised Statutes, is  
14 amended by amending the definitions of "public housing project"  
15 and "tenant" to read as follows:

16 ""Public housing project" or "complex" means a low-income  
17 federally assisted housing project [~~directly~~] as established by  
18 the United States Housing Act of 1937, as amended, and  
19 controlled, owned, developed, or managed by the authority  
20 pursuant to [~~part II.~~] the federal low-rent public housing  
21 program.



1 "Tenant" means any person occupying a [~~room,~~] dwelling  
2 [~~unit,~~] accommodation or living quarters[~~, or space~~] in any  
3 public housing project, under or by virtue of any tenancy,  
4 lease, [~~license, or permit~~] or rental agreement under or from  
5 the authority."

6 SECTION 37. Section 356D-92, Hawaii Revised Statutes, is  
7 amended by amending subsection (f) to read as follows:

8 "(f) If the tenant meets with the authority as provided  
9 for in subsection (b), the authority shall decide, based upon  
10 the facts discussed at the meeting, what action is appropriate  
11 to address the tenant's case. The authority shall notify the  
12 tenant of its decision in writing. If the authority decides to  
13 proceed with an action to terminate the tenancy, the authority  
14 shall further inform the tenant in the same written notice that:

15 (1) The tenant has [~~thirty days~~] ten business days from  
16 receipt of this notice to request a grievance hearing;  
17 and

18 (2) If the tenant fails to request a grievance hearing  
19 within [~~thirty days,~~] ten business days, the authority  
20 has the right to proceed with the eviction hearing  
21 pursuant to section 356D-93."



1 SECTION 38. Act 100, Session Laws of Hawaii 2006, is  
2 amended by amending section 2 to read as follows:

3 "SECTION 2. Chapter [~~201G,~~] 356D, Hawaii Revised Statutes,  
4 is amended by adding a new section in part [~~IV~~] VII to be  
5 appropriately designated and to read as follows:

6 "~~§201G-~~ §356D- **Temporary emergency housing.** (a) In  
7 addition to any other duties prescribed by law, the  
8 [~~administration~~] authority shall develop, in consultation with  
9 the four counties, a procedure for identifying locations that  
10 shall be used for temporary emergency shelters for homeless  
11 individuals and families. The [~~administration~~] authority shall  
12 actively partner with and monitor the efforts of the counties.

13 (b) Each county shall be responsible for partnering with  
14 nonprofit organizations to locate, designate, and maintain the  
15 areas that shall be used for temporary emergency shelters. The  
16 designated locations may include private, county, and state  
17 lands and federal lands at Kalaeloa.

18 (c) The [~~administration~~] authority shall pursue and secure  
19 Barbers Point Barracks as temporary housing for homeless  
20 families and individuals.

21 (d) The [~~administration~~] authority shall submit an annual  
22 report to the legislature detailing the activities and outcomes



1 under this section no later than twenty days prior to the  
2 convening of each regular session beginning with the [2007] 2008  
3 regular session."

4 **PART III**

5 SECTION 39. The purpose of this part is to make other  
6 conforming amendments to the Hawaii Revised Statutes and Session  
7 Laws of Hawaii to implement the repeal of the housing and  
8 community development corporation of Hawaii and the transfer of  
9 its powers and functions to the Hawaii housing finance and  
10 development corporation and the Hawaii public housing authority.

11 SECTION 40. Section 201H-1, Hawaii Revised Statutes, is  
12 amended by adding a new definition to be appropriately inserted  
13 and to read as follows:

14 "Elderly housing project" means a housing project that is  
15 intended and operated as housing that satisfies the definition  
16 of housing for older persons under 42 United States Code section  
17 3607 (b) (2) ."

18 SECTION 41. Section 26-14, Hawaii Revised Statutes, is  
19 amended by amending subsection (d) to read as follows:

20 "(d) The [~~housing and community development corporation of~~  
21 ~~Hawaii]~~ Hawaii public housing authority and the Hawaii state



1 commission on the status of women are placed within the  
2 department of human services for administrative purposes only."

3 SECTION 42. Section 26-18, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) The following are placed in the department of  
6 business, economic development, and tourism for administrative  
7 purposes as defined by section 26-35: Aloha Tower development  
8 corporation, Hawaii community development authority, Hawaii  
9 housing finance and development corporation, high technology  
10 development corporation, land use commission, natural energy  
11 laboratory of Hawaii authority, and any other boards and  
12 commissions as shall be provided by law.

13 The department of business, economic development, and  
14 tourism shall be empowered to establish, modify, or abolish  
15 statistical boundaries for cities, towns, or villages in the  
16 State and shall publish, as expeditiously as possible, an up-to-  
17 date list of cities, towns, and villages after changes to  
18 statistical boundaries have been made."

19 SECTION 43. Section 91-13.5, Hawaii Revised Statutes, is  
20 amended by amending subsection (d) to read as follows:

21 "(d) Notwithstanding any other law to the contrary, any  
22 agency that reviews and comments upon an application for a



1 business or development-related permit, license, or approval for  
2 a housing project developed under section [~~201G-118~~] 201H-38  
3 shall respond within forty-five days of receipt of the  
4 application, or the application shall be deemed acceptable as  
5 submitted to the agency."

6 SECTION 44. Section 257-7, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "[~~f~~]~~\$~~257-7[~~t~~] **Assets; disregarded.** The department of  
9 human services [~~and the housing and community development~~  
10 ~~corporation of Hawaii~~] shall collaborate with individual  
11 development account fiduciary organizations to ensure that the  
12 accounts as provided for in this chapter, including any earned  
13 interest, shall be disregarded in the determination of benefits  
14 or eligibility for services account holders may receive from  
15 [~~said agencies~~] the department of human services as allowed by  
16 federal and state laws and regulations.

17 The department of human services shall establish rules to  
18 be aligned with individual development accounts[~~after June 28,~~  
19 ~~1999~~]."

20 SECTION 45. Section 302A-831, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           "~~[+]§302A-831[+]~~ **Purpose.** The purpose of this subpart is  
2 to transfer the administration of the teachers' housing program  
3 from the [~~housing and community development corporation of~~  
4 ~~Hawaii]~~ Hawaii public housing authority to the department of  
5 education. This subpart also establishes a revolving fund for  
6 the accounting and control of receipts and disbursements in  
7 connection with the department of education's functions of  
8 planning, constructing, repairing, maintaining, and operating  
9 housing programs for teachers employed and assigned by the  
10 department of education."

11           SECTION 46. Act 291, Session Laws of Hawaii 1980, as  
12 amended by Act 304, Session Laws of Hawaii 1996, as amended by  
13 Act 185, Session Laws of Hawaii 2004, is amended by amending  
14 section 11 to read as follows:

15           "SECTION 11. **Issuance of revenue bond; amount authorized.**

16 Revenue bonds may be issued by the [~~housing and community~~  
17 ~~development corporation of Hawaii]~~ Hawaii housing finance and  
18 development corporation pursuant to part III, chapter 39 and  
19 subpart [B] A of part III of chapter [~~201G,~~] 201H, Hawaii  
20 Revised Statutes, in an aggregate principal amount not to exceed  
21 \$300,000,000, at such times and in such amounts as the [~~housing~~  
22 ~~and community development corporation of Hawaii]~~ Hawaii housing



1 finance and development corporation deems advisable for the  
2 purpose of undertaking and maintaining any of the housing loan  
3 programs under subpart ~~[B]~~ A of part III of chapter ~~[201G,]~~  
4 201H, Hawaii Revised Statutes, relating to the funding or  
5 purchasing of eligible project loans."

6 SECTION 47. Act 274, Session Laws of Hawaii 1998, is  
7 amended by amending section 1 to read as follows:

8 "SECTION 1. The provisions of section ~~[201G-120(a),]~~  
9 201H-40(a), Hawaii Revised Statutes, relating to the  
10 corporation's requirement to first offer not less than ten per  
11 cent of the total number of units in single-family projects  
12 consisting of fifty units or more sponsored by the ~~[housing and~~  
13 ~~community development corporation of Hawaii]~~ Hawaii housing  
14 finance and development corporation to owner-builders or  
15 nonprofit organizations assisting owner-builders in construction  
16 of units, shall not apply to the ~~[housing and community~~  
17 ~~development corporation of Hawaii's]~~ Hawaii housing finance and  
18 development corporation's current or future development in  
19 Kapolei, Oahu, consisting of approximately ~~[888]~~ eight hundred  
20 eighty-eight acres, known as the Villages of Kapolei."

21 SECTION 48. Act 100, Session Laws of Hawaii 2001, is  
22 amended by amending sections 1 and 2 to read as follows:



1           "SECTION 1. The purpose of this Act is to authorize the  
2   ~~[housing and community development corporation of Hawaii,]~~  
3   Hawaii housing finance and development corporation, in  
4   coordination with the respective counties, to establish the  
5   affordable housing requirements for undeveloped parcels in the  
6   villages of Kapolei, Oahu; villages of Leiali'i, Maui; and  
7   villages of La'i'opua, Hawaii, irrespective of any other law,  
8   rule, or ordinance to the contrary.

9           SECTION 2. Notwithstanding Act 15, Session Laws of Hawaii  
10  1988, the affordable housing requirements for the undeveloped  
11  parcels in the villages of Kapolei, Oahu, villages of Leiali'i,  
12  Maui, and villages of La'i'opua, Hawaii, shall be established by  
13  agreement between the ~~[housing and community development~~  
14  ~~corporation of Hawaii]~~ Hawaii housing finance and development  
15  corporation and the respective counties.

16           The undeveloped parcels are further defined as follows:

17           Villages of Kapolei: Tax map key numbers 9-1-16:35, 36, 37,  
18  38, 39, 58, 59, 64, 76, 82, 88, 90, 93; 9-1-79:1 through 35, 54,  
19  129 through 134; 9-1-92:37 through 66, 104; 9-1-104:1 through  
20  88; and 9-1-105:1 through 117.



1 Villages of Leiali'i: Tax map key numbers 4-5-21:3, por. 4,  
2 18, 19, por. 20, por. 21, por.22; and 4-5-36:1 through 14, 55,  
3 through 61, 69 through 104.

4 Villages of La'i'opua: Tax map key numbers 7-4-21:1 through  
5 18 and 7-4-20:1 through 7."

6 SECTION 49. Act 198, Session Laws of Hawaii 2005, is  
7 amended by amending section 3 to read as follows:

8 "SECTION 3. Notwithstanding Act 15, Session Laws of Hawaii  
9 1988, the affordable housing requirements for the undeveloped  
10 parcels in Puukolii village shall be established by agreement  
11 among:

12 (1) The developer;

13 (2) The [~~housing and community development corporation of~~  
14 ~~Hawaii;~~] Hawaii housing finance and development  
15 corporation; and

16 (3) The appropriate agency or department of the county of  
17 Maui that is charged with the responsibility of  
18 administering affordable housing projects, unless such  
19 undeveloped parcels are part of a larger development  
20 that requires the approval of the Maui county council.





1 The affordable housing requirement shall include a requirement  
2 for housing that is affordable to households earning up to one  
3 hundred twenty per cent of the county median income.

4 The undeveloped parcels in Puukolii village are defined as  
5 tax map key numbers 4-4-02: por. 02 and 4-4-06: por. 01."

6 **PART IV**

7 SECTION 50. This Act shall be amended to conform to all  
8 other acts passed by the legislature during the regular session  
9 of 2007, whether enacted before or after the effective date of  
10 this Act, unless the other acts specifically provide otherwise.

11 SECTION 51. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

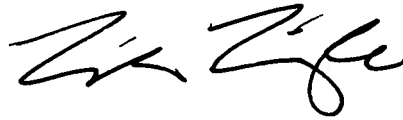
13 SECTION 52. This Act shall take effect on July 1, 2007;  
14 provided that section 4 of this Act shall take effect on July 1,  
15 2008; provided further that the amendments made by section 19 of  
16 this Act shall not be repealed on June 30, 2007, by section 30  
17 of Act 100, Session Laws of Hawaii 2006; provided further that  
18 section 33 of this Act shall take effect on June 29, 2007.



H.B. NO. 487  
H.D. 1  
S.D. 1  
C.D. 1

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APPROVED this 3 day of JUL , 2007



GOVERNOR OF THE STATE OF HAWAII