
A BILL FOR AN ACT

RELATING TO COMMUNITY PLANNING.

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

1 **PART I**

2 SECTION 1. Chapter 206E, Hawaii Revised Statutes, is
3 amended by amending its title to read as follows:

4 **"CHAPTER 206E**

5 **HAWAII COMMUNITY [~~DEVELOPMENT~~] PLANNING AUTHORITY"**

6 SECTION 2. Section 206E-1, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§206E-1 Findings and purpose.** The legislature finds that
9 many areas of the State are substantially undeveloped, blighted,
10 or economically depressed, and are or are potentially in need of
11 renewal, renovation, or improvement to alleviate such conditions
12 as dilapidation, deterioration, age, and other such factors or
13 conditions which make such areas an economic or social
14 liability.

15 The legislature further finds that there exists within the
16 State vast, unmet community development needs. These include,
17 but are not limited to, a lack of suitable affordable housing;
18 insufficient commercial and industrial facilities for rent;



1 residential areas which do not have facilities necessary for
2 basic liveability, such as parks and open space; and areas which
3 are planned for extensive land allocation to one, rather than
4 mixed uses.

5 It is further determined that the lack of planning and
6 coordination in such areas has given rise to these community
7 development needs and that existing laws and public and private
8 mechanisms have either proven incapable or inadequate to
9 facilitate timely redevelopment and renewal.

10 The legislature finds that a new and comprehensive
11 authority for community [~~development~~] planning must be created
12 to join the strengths of private enterprise, public development
13 and regulation into a new form capable of long-range planning
14 and implementation of improved [~~community development.~~]
15 communities. The purpose of this chapter is to establish such a
16 mechanism in the Hawaii community [~~development~~] planning
17 authority, a public entity which shall determine community
18 development programs and cooperate with private enterprise and
19 the various components of federal, state, and county governments
20 in bringing plans to fruition. For such areas designated as
21 community development districts[7] and planning districts, the
22 legislature believes that the planning and implementation



1 program of the Hawaii community [~~development~~] planning authority
2 will result in communities which serve the highest needs and
3 aspirations of Hawaii's people.

4 The legislature further finds that successful planning for
5 growth requires increasing the density of existing and new
6 communities. Well-designed and well-integrated higher-density
7 development can significantly reduce dependency on cars, but
8 those benefits are even greater when jobs and retail are
9 incorporated with the housing. Mixed-use neighborhoods make it
10 easier for people to accomplish several tasks, which reduces the
11 number of car trips, overall parking needs, and our carbon
12 imprint.

13 The legislature finds that the creation of the Hawaii
14 community [~~development~~] planning authority, the establishment of
15 community development districts[7] and planning districts,
16 facilitation of commercial and residential development on land
17 adjacent to public transportation facilities, and the issuance
18 of bonds pursuant to this chapter to finance public facilities
19 serve the public interest and are matters of statewide concern."

20 SECTION 3. Section 206E-4, Hawaii Revised Statutes, is
21 amended to read as follows:



1 **"§206E-4 Powers; generally.** Except as otherwise limited
2 by this chapter, the authority may:

3 (1) Sue and be sued;

4 (2) Have a seal and alter the same at pleasure;

5 (3) Make and execute contracts and all other instruments
6 necessary or convenient for the exercise of its powers
7 and functions under this chapter;

8 (4) Make and alter bylaws for its organization and
9 internal management;

10 (5) Make rules with respect to its projects, operations,
11 properties, and facilities, which rules shall be in
12 conformance with chapter 91;

13 (6) Through its executive director appoint officers,
14 agents, and employees, prescribe their duties and
15 qualifications, and fix their salaries, without regard
16 to chapter 76;

17 (7) Prepare or cause to be prepared a community
18 development plan for all designated community
19 development districts[+] and planning districts;

20 (8) Acquire, reacquire, or contract to acquire or
21 reacquire by grant or purchase real, personal, or
22 mixed property or any interest therein; to own, hold,



1 clear, improve, and rehabilitate, and to sell, assign,
2 exchange, transfer, convey, lease, or otherwise
3 dispose of or encumber the same;

4 (9) Acquire or reacquire by condemnation real, personal,
5 or mixed property or any interest therein for public
6 facilities, including but not limited to streets,
7 sidewalks, parks, schools, and other public
8 improvements;

9 (10) By itself, or in partnership with qualified persons,
10 acquire, reacquire, construct, reconstruct,
11 rehabilitate, improve, alter, or repair or provide for
12 the construction, reconstruction, improvement,
13 alteration, or repair of any project; own, hold, sell,
14 assign, transfer, convey, exchange, lease, or
15 otherwise dispose of or encumber any project, and in
16 the case of the sale of any project, accept a purchase
17 money mortgage in connection therewith; and repurchase
18 or otherwise acquire any project which the authority
19 has theretofore sold or otherwise conveyed,
20 transferred, or disposed of;

21 (11) Arrange or contract for the planning, replanning,
22 opening, grading, or closing of streets, roads,



1 roadways, alleys, or other places, or for the
2 furnishing of facilities or for the acquisition of
3 property or property rights or for the furnishing of
4 property or services in connection with a project;

5 (12) Grant options to purchase any project or to renew any
6 lease entered into by it in connection with any of its
7 projects, on such terms and conditions as it deems
8 advisable;

9 (13) Prepare or cause to be prepared plans, specifications,
10 designs, and estimates of costs for the construction,
11 reconstruction, rehabilitation, improvement,
12 alteration, or repair of any project, and from time to
13 time to modify such plans, specifications, designs, or
14 estimates;

15 (14) Provide advisory, consultative, training, and
16 educational services, technical assistance, and advice
17 to any person, partnership, or corporation, either
18 public or private, to carry out the purposes of this
19 chapter, and engage the services of consultants on a
20 contractual basis for rendering professional and
21 technical assistance and advice;



- 1 (15) Procure insurance against any loss in connection with
- 2 its property and other assets and operations in such
- 3 amounts and from such insurers as it deems desirable;
- 4 (16) Contract for and accept gifts or grants in any form
- 5 from any public agency or from any other source;
- 6 (17) Do any and all things necessary to carry out its
- 7 purposes and exercise the powers given and granted in
- 8 this chapter;
- 9 (18) Allow satisfaction of any affordable housing
- 10 requirements imposed by the authority upon any
- 11 proposed development project through the construction
- 12 of reserved housing, as defined in section 206E-101,
- 13 by a person on land located outside the geographic
- 14 boundaries of the authority's jurisdiction; provided
- 15 that the authority shall not permit any person to make
- 16 cash payments in lieu of providing reserved housing,
- 17 except to account for any fractional unit that results
- 18 after calculating the percentage requirement against
- 19 residential floor space or total number of units
- 20 developed. The substituted housing shall be located
- 21 on the same island as the development project and
- 22 shall be substantially equal in value to the required



1 reserved housing units that were to be developed on
2 site. The authority shall establish the following
3 priority in the development of reserved housing:

- 4 (A) Within the community development district;
- 5 (B) Within areas immediately surrounding the
6 community development district;
- 7 (C) Areas within the central urban core;
- 8 (D) In outlying areas within the same island as the
9 development project.

10 The Hawaii community [~~development~~] planning
11 authority shall adopt rules relating to the approval
12 of reserved housing that are developed outside of a
13 community development district. The rules shall
14 include, but are not limited to, the establishment of
15 guidelines to ensure compliance with the above
16 priorities; and

- 17 (19) Assist the public land development corporation
18 established by section 171C-3 in identifying public
19 lands that may be suitable for development, carrying
20 on marketing analysis to determine the best revenue-
21 generating programs for the public lands identified,
22 entering into public-private agreements to



1 appropriately develop the public lands identified, and
2 providing the leadership for the development,
3 financing, improvement, or enhancement of the selected
4 development opportunities; provided that no assistance
5 shall be provided unless the authority authorizes the
6 assistance."

7 SECTION 4. Section 206E-5.5, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The authority shall adopt community and public notice
10 procedures pursuant to chapter 91 that shall include at a
11 minimum:

12 (1) A means to effectively engage the community in which
13 the authority is planning a development project to
14 ensure that community concerns are received and
15 considered by the authority;

16 (2) The posting of the authority's proposed plans for
17 development of community development districts[7] and
18 planning districts, public hearing notices, and
19 minutes of its proceedings on the authority's website;
20 and



1 (3) Any other information that the public may find useful
2 so that it may meaningfully participate in the
3 authority's decision-making processes."

4 SECTION 5. Section 206E-7, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[+]§206E-7[+] **Community development rules.** The authority
7 shall establish community development rules under chapter 91 on
8 health, safety, building, planning, zoning, and land use which,
9 upon final adoption of a community development plan[+] or
10 exceptional planning project, as appropriate, shall supersede
11 all other inconsistent ordinances and rules relating to the use,
12 zoning, planning, and development of land and construction
13 thereon. Rules adopted under this section shall follow existing
14 law, rules, ordinances, and regulations as closely as is
15 consistent with standards meeting minimum requirements of good
16 design, pleasant amenities, health, safety, and coordinated
17 development. The authority may, in the community development
18 plan or exceptional planning project or by a community
19 development rule[+] or plan for a planning district provide that
20 lands within a community development district or planning
21 district, as appropriate, shall not be developed beyond existing
22 uses or that improvements thereon shall not be demolished or



1 substantially reconstructed, or provide other restrictions on
2 the use of the lands."

3 SECTION 6. Section 206E-8, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) Any provision of chapter 171 to the contrary
6 notwithstanding, the governor may set aside public lands located
7 within community development districts or planning districts to
8 the authority for its use."

9 SECTION 7. Section 206E-8.5, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Notwithstanding chapter 205A, all requests for
12 developments within a special management area and shoreline
13 setback variances for developments on any lands within a
14 community development district[7] or planning district for which
15 a community development plan or exceptional planning project has
16 been developed and approved in accordance with section 206E-5[7]
17 or 46-D, respectively, shall be submitted to and reviewed by the
18 lead agency as defined in chapter 205A. In community
19 development districts or planning districts for which a
20 community development plan or exceptional planning project, as
21 appropriate, has not been developed and approved in accordance
22 with section 206E-5[7] or 46-D, respectively, parts II and III



1 of chapter 205A shall continue to be administered by the
2 applicable county authority until a community development plan
3 or exceptional planning project, as appropriate, for the
4 district takes effect."

5 SECTION 8. Section 206E-10, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[+]§206E-10[+] **Condemnation of real property.** The
8 authority upon making a finding that it is necessary to acquire
9 any real property for its immediate or future use for the
10 purposes of this chapter, may acquire the property by
11 condemnation pursuant to chapter 101, including property already
12 devoted to a public use. Such property shall not thereafter be
13 taken for any other public use without the consent of the
14 authority. No award of compensation shall be increased by
15 reason of any increase in the value of real property caused by
16 the designation of a community development district or planning
17 district or plan adopted pursuant to [a] either designation, or
18 the actual or proposed acquisition, use or disposition of any
19 other real property by the authority."

20 SECTION 9. Sections 26-18, 46-102, 171-2, 206E-2, 206E-3,
21 206E-34, 206E-101, 206E-191, and 514A-14.5, Hawaii Revised
22 Statutes, are amended by substituting the term "Hawaii community



1 planning authority" wherever the term "Hawaii community
2 development authority" appears, as the context requires.

3 SECTION 10. Sections 206E-6, 206E-16, 206E-184, and
4 206E-185, Hawaii Revised Statutes, are amended by substituting
5 the term "Hawaii community planning revolving fund" wherever the
6 term "Hawaii community development revolving fund" appears, as
7 the context requires.

8 **PART II**

9 SECTION 11. Chapter 46, Hawaii Revised Statutes, is
10 amended by adding a new part to be appropriately designated and
11 to read as follows:

12 **"PART . PLANNING DISTRICTS**

13 **§46-A Findings and purpose.** The legislature finds that
14 successful planning for growth requires reducing sprawl,
15 creating more compact urban developments in existing and new
16 communities that offer a high quality of life for a broad range
17 of household types. Further, well-designed and well-integrated
18 higher-density development can significantly reduce dependency
19 on cars. Benefits are even greater when jobs and retail are
20 incorporated with the housing. Mixed-use neighborhoods make it
21 easier for people to park their car in one place and accomplish
22 several tasks, which not only reduces the number of car trips



1 required but also reduces overall parking needs for the
2 community and our carbon imprint. The purpose of this part is
3 to facilitate commercial and residential development of an
4 exceptional level of quality on land adjacent to public
5 transportation stations and centers by creating a "fast track"
6 process and reduced up-front costs that will in turn act as
7 catalytic projects for neighborhood reinvestment.

8 **§46-B Definitions.** As used in this part, unless otherwise
9 indicated by the context:

10 "Action" or "action taken" means approval, approval with
11 modification, or disapproval.

12 "Application" means the preliminary plans and
13 specifications for an exceptional planning project and includes
14 materials, such as plans, information, or specifications,
15 submitted to a planning agency at the request of the agency. A
16 planning agency may adopt rules pursuant to chapter 91 to
17 further specify materials that shall be deemed part of an
18 application for purposes of this part.

19 "Exceptional planning project" or "project" means a project
20 as defined by the county that is located wholly within a
21 planning district and responds to transit ridership goals.



1 "Legislative body" means the legislative body of the county
2 to which a qualified developer submits an application or final
3 plans and specifications for an exceptional planning project.

4 "Planning agency" or "agency" means the planning agency of
5 a county to which a qualified developer submits an application
6 for an exceptional planning project.

7 "Program" means the transit or main-street redevelopment
8 program pursuant to section 46-H, as made applicable to a county
9 through adoption by the county.

10 "Qualified developer" means a person, corporation,
11 organization, partnership, association, or other legal entity
12 that is:

- 13 (1) Licensed to do business in the State; and
14 (2) Bonded and in good standing in an amount to be
15 determined by the respective legislative body of each
16 county.

17 **§46-C Planning districts.** There are established planning
18 districts that shall consist of:

- 19 (1) An area within a one-half-mile radius from a county-
20 designated rail transit station or as designated by
21 the county to achieve density and ridership goals;



- 1 (2) An area within a one-quarter-mile radius from a
- 2 county-designated bus transit station or center or as
- 3 designated by the county to achieve density and
- 4 ridership goals;
- 5 (3) The area between the two county-designated rail
- 6 transit stations located nearest to the Honolulu
- 7 International Airport or as designated by the county
- 8 to achieve density and ridership goals; or
- 9 (4) A main-street redevelopment project suitable for
- 10 development by community financed projects or business
- 11 improvement districts.

12 The land use commission shall classify or reclassify all
 13 planning districts as an urban district under section 205-2.

14 **§46-D Exceptional planning projects; application by**
 15 **developer; review; refusal of application.** (a) A qualified
 16 developer may submit to the planning agency an application for
 17 approval of an exceptional planning project within a planning
 18 district. The application, excluding an application for a main-
 19 street redevelopment project, shall include a transit ridership
 20 study that shall demonstrate the need for development to achieve
 21 desired goals for transit ridership and overall land use
 22 density. Upon receipt of the application, the planning agency



1 shall review the application and secure any additional
2 information that the agency deems necessary for the purpose of
3 taking action. The planning agency shall take action within
4 forty-five days of receipt of the application; provided that the
5 time to take action may be extended up to ten days for good
6 cause. Within the ten additional days, the planning agency
7 shall notify the developer of the action taken.

8 (b) If the planning agency refuses an application, the
9 qualified developer may submit its application to the Hawaii
10 community planning authority.

11 (c) If the planning agency approves the application, with
12 or without conditions, the planning agency shall forward the
13 application with its action to the legislative body. The
14 legislative body shall have forty-five days from the date of
15 receipt of the planning agency's action to approve, approve with
16 conditions, or disapprove the application by resolution. If on
17 the forty-sixth day the legislative body has not taken action on
18 the application, it shall be deemed to have been approved.

19 **§46-E Indemnity.** No action shall be prosecuted or
20 maintained against any county, its officials, or employees on
21 account of actions taken by them in reviewing, approving,



1 modifying, or disapproving the application or plans and
2 specifications of an exceptional planning project.

3 **§46-F State incentives; exemptions.** Exceptional planning
4 projects approved by the legislative body shall receive the
5 following incentives:

6 (1) Exemption from all state fees associated with land
7 development, including highway access fees;

8 (2) Exemption from school impact fees; and

9 (3) Exemption from section 343-5(a)(1) as it relates to
10 the use of state or county lands.

11 **§46-G County incentives; exemptions.** Exceptional planning
12 projects approved by the legislative body shall receive
13 exemptions from the zone change process, compliance with zoning
14 standards, and impact fees pursuant to section 264-123.

15 Additionally, the counties shall adopt any other incentives it
16 deems appropriate to be granted to exceptional planning
17 projects.

18 **§46-H Transit or main-street redevelopment program.** (a)

19 Any county with a planning district may establish a transit or
20 main-street redevelopment program. The program shall include
21 community-based planning for transit or main-street

22 redevelopment, strategies for infrastructure upgrades to support



1 development and redevelopment, and minimum urban design and site
2 plan guidelines.

3 (b) In developing its program, the county shall consider
4 establishing or may establish minimum eligibility criteria for
5 exceptional planning projects, including but not limited to:

- 6 (1) Minimum and maximum project sizes;
- 7 (2) Requiring a mix of commercial and residential uses;
- 8 (3) Establishing workforce and affordable housing
9 requirements;
- 10 (4) Proposing parking ratios below any existing required
11 ratio and a maximum cap on the total number of parking
12 spaces, proposing a centralized public or private
13 parking structure, or proposing a transportation plan
14 with innovative parking solutions;
- 15 (5) Creating street level activities, such as retail and
16 public gathering areas, including early evening hour
17 activities; and
- 18 (6) Providing community benefits including off-site open
19 space, on-site social services space, and major off-
20 site infrastructure upgrades.



1 (c) Any county participating in the program shall adopt
2 ordinances, rules, or regulations as necessary for the purposes
3 of this section.

4 **§46-I Adoption of rules.** A planning agency may adopt
5 rules pursuant to chapter 91 that are necessary to effectuate
6 the purposes of this part.

7 **§46-J Exemption for general excise taxes.** (a) In
8 accordance with section 237- , the county may approve and
9 certify for exemption from general excise taxes any qualified
10 developer who has successfully completed the application process
11 for an exceptional planning project pursuant to section 46-D.

12 (b) All claims for exemption under this section shall be
13 filed with and certified by the county and forwarded to the
14 department of taxation. Any claim for exemption that is filed
15 and approved shall not be considered a subsidy for the purpose
16 of this section.

17 (c) The county may establish, revise, charge, and collect
18 a reasonable service fee, as necessary, in connection with its
19 approvals and certifications under this section.

20 (d) The taxpayer shall provide written notice to the
21 director of taxation and the county within thirty days following
22 the start of the exceptional planning project. The notice shall



1 include the project start date and expected completion.
2 Notwithstanding any other law to the contrary, this information
3 shall be available for public inspection and dissemination under
4 chapter 92F."

5 SECTION 12. Chapter 237, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 **"§237- Exemptions for exceptional planning projects.**

9 (a) All gross income received by any qualified person or firm
10 for the planning, design, financing, construction, sale, or
11 lease in the State of an exceptional planning project that has
12 been certified or approved under section 46-D shall be exempt
13 from general excise taxes.

14 (b) The director of taxation and counties shall adopt
15 rules pursuant to chapter 91 for the purpose of this section,
16 including any time limitation for the exemptions."

17 **PART III**

18 SECTION 13. Chapter 206E, Hawaii Revised Statutes, is
19 amended by adding six new sections to be appropriately
20 designated and to read as follows:

21 **"§206E-A Planning districts.** (a) If a planning agency
22 disapproves an application for an exceptional planning project,



1 pursuant to section 46-D, the authority shall enter into
2 cooperative agreements with qualified persons or public
3 agencies, where the powers, services, and capabilities of such
4 persons or agencies are deemed necessary and appropriate for the
5 development of planning districts established by section 46-C.

6 (b) Planning activities of the authority shall be
7 coordinated with federal, state, and county plans.
8 Consideration shall be given to state goals and policies,
9 adopted state plan or land use guidance policies, county general
10 plans, development plans, and ordinances.

11 (c) The authority may amend a planning district
12 established pursuant to section 46-B(4), or exceptional planning
13 project approved by the legislative body, as it deems
14 appropriate. Amendments shall be made in accordance with
15 chapter 91.

16 (d) All exceptional planning projects approved by the
17 authority shall undergo the following:

- 18 (1) Third-party review;
19 (2) Self certification;
20 (3) Acceptance by the county; and
21 (4) Bonding,



1 pursuant to industry standards and county ordinances, rules, or
2 regulations.

3 (e) The authority shall adopt rules pursuant to chapter 91
4 necessary to carry out the purposes of this section.

5 **§206E-B Conditions for the transfer of density rights.** In
6 addition to any existing power, duty, and authority, the
7 authority is hereby authorized to transfer and regulate the
8 transfer of density rights, subject to the conditions set forth
9 under this part, as well other conditions the authority deems
10 necessary and appropriate. The purpose of providing for
11 transfer of density rights shall be to:

- 12 (1) Protect the natural, scenic, and agricultural
13 qualities of open lands;
- 14 (2) Enhance sites and areas of special character or
15 special historical, cultural, aesthetic, or economic
16 interest or value;
- 17 (3) Provide an instrument whereby landowners who choose to
18 participate in land preservation can share in the
19 economic benefits created through development;
- 20 (4) Direct growth to areas suitable for urban development
21 based on the capacity of existing infrastructure and
22 public facility systems, the cost effectiveness of



1 providing new infrastructure and public facility
2 systems, the proximity to employment centers, and
3 favorable conditions including topography and freedom
4 from natural hazards and environmental constraints;
5 and

6 (5) Enable and encourage flexibility of design and careful
7 management of land in recognition of land as a basic
8 and valuable natural resource.

9 **§206E-C Transfer of density rights; general**

10 **authorizations.** The authority may provide for the transfer of
11 density rights by adopting rules, in accordance with chapter 91,
12 to establish a procedure for the transfer. The rules shall
13 provide, without limitation, for the following:

14 (1) The transfer of density rights to and from the
15 authority;

16 (2) The transfer of density rights shall be established
17 within the framework of the long-range, comprehensive
18 general plan of the county;

19 (3) The receiving entity, to which transfer of density
20 rights is authorized, shall be found by the authority,
21 after evaluating the effects of the potential
22 increased development, to contain adequate resources



1 and public facilities to ensure that the increased
2 density will be compatible with the development
3 otherwise permitted by the county or authority;

4 (4) Sending entities and receiving entities shall be
5 designated and mapped, and the procedure for the
6 transfer of density rights shall be specified; and

7 (5) The density rights may be sold in the normal market or
8 through a density rights bank established by the
9 authority in which density rights may be retained and
10 sold by the authority.

11 **§206E-D Transfer of density rights instruments.** The
12 authority shall establish a standard instrument to document
13 density rights that have been transferred to and from the
14 authority. A density right that is transferred is an interest
15 in real property evidenced by the transfer of a density right
16 instrument issued by the authority and recorded pursuant to
17 section 502-31.

18 **§206E-E Business improvement districts; special**
19 **assessment.** (a) The authority may authorize the creation of
20 business improvement districts, and amend the district
21 boundaries from time to time, for the purpose of providing and
22 financing supplemental maintenance and security services and



1 other improvements, services, and facilities within the business
2 improvement district as the authority determines will restore or
3 promote business activity in the business improvement district.

4 (b) The authority shall adopt rules pursuant to chapter 91
5 to establish the criteria for creating and amending business
6 improvement districts.

7 (c) The authority may levy and assess per cent of
8 the general excise tax as a special assessment on property
9 located within the business improvement district to finance the
10 maintenance and operation of the business improvement district
11 and improvements within the business improvement district.

12 Notwithstanding any law to the contrary, in assessing property
13 for a special assessment, the authority may implement a
14 methodology as the authority deems appropriate. When all
15 improvements have been fully executed within the business
16 improvement district or the district ceases to exist, the
17 special assessment shall no longer be assessed.

18 (d) The special assessments levied pursuant to the
19 authorizing of the creation of business improvement districts
20 and this section shall be a lien upon the property assessed.
21 The lien shall have priority over all other liens except the
22 lien of general real property taxes.

1 §206E-F Community facilities district; special assessment.

2 (a) The authority may authorize the creation of community
3 facilities districts to finance the acquisition, planning,
4 design, construction, installation, improvement, or
5 rehabilitation of any real property or structure with a useful
6 life. Special improvements may be physically located within or
7 outside a district and may benefit land within or outside the
8 district. Special improvements which may be financed by a
9 district include, but are not limited to, the following:

10 (1) Streets, roads, highways, bikeways, pedestrian malls,
11 sidewalks, or alleyways, including grading, paving, or
12 otherwise improving the foregoing;

13 (2) Public parking facilities;

14 (3) Lighting systems, including traffic signals, for any
15 public right-of-way;

16 (4) Local park, recreation, child care, parkway, and open-
17 space facilities;

18 (5) Libraries, museums, and other cultural facilities;

19 (6) The undergrounding of natural gas pipeline facilities,
20 telephone lines, facilities for the transmission or
21 distribution of electrical energy, cable television
22 lines, and other utility facilities. The authority



1 may enter into an agreement with a public utility to
2 utilize those facilities to provide a particular
3 service and for the conveyance of those facilities to
4 the public utility. If the facilities are conveyed to
5 the public utility, the agreement may provide for a
6 refund by the public utility to the district for the
7 cost of the facilities. Any reimbursement made to the
8 district shall be utilized to reduce the special tax
9 levied within the district or construct or acquire
10 additional special improvements within the district,
11 as specified in the rules. For the purpose of this
12 paragraph only, a cable television company shall be
13 deemed a "public utility";

14 (7) Water systems;

15 (8) Police, criminal justice, fire suppression, and
16 paramedic facilities;

17 (9) Wastewater, storm drainage, sewage removal or
18 treatment, solid waste disposal, and recycling or
19 resource recovery systems or facilities;

20 (10) Transit or transportation systems;

21 (11) Telecommunications systems; and



1 (12) Any other facilities which the authority is authorized
2 by law to contribute revenue to or construct, own,
3 maintain, or operate.

4 (b) The authority shall adopt rules pursuant to chapter 91
5 to establish the criteria for creating and amending community
6 facilities districts.

7 (c) The authority may levy and assess per cent of
8 the general excise tax as a special assessment on property
9 located within the community facilities district to finance the
10 maintenance and operation of the community facilities district
11 and improvements within the community facilities district.
12 Notwithstanding any law to the contrary, in assessing property
13 for a special assessment, the authority may implement a
14 methodology as the authority deems appropriate. When all
15 improvements have been fully executed within the community
16 facilities district or the district ceases to exist, the special
17 assessment shall no longer be assessed.

18 (d) The special assessments levied pursuant to the
19 authorizing of the creation of community facilities districts
20 and this section shall be a lien upon the property assessed.
21 The lien shall have priority over all other liens except the
22 lien of general real property taxes."



1 SECTION 14. Section 206E-2, Hawaii Revised Statutes, is
2 amended by adding two new definitions to be appropriately
3 inserted and to read as follows:

4 "Exceptional planning project" shall have the same meaning
5 as in section 46-A.

6 "Planning district" means all areas established as planning
7 districts pursuant to section 46-B."

8 SECTION 15. Section 206E-151, Hawaii Revised Statutes, is
9 amended to read as follows:

10 **"§206E-151 Findings and declarations.** The legislature
11 finds and declares that the health, safety, and general welfare
12 of the people of the State require that every opportunity be
13 taken to assist the redevelopment of community development
14 districts[+] and development of planning districts; that the
15 development, redevelopment, and revitalization of these
16 districts will alleviate community needs for employment,
17 housing, parks, open space, and commercial and industrial
18 facilities; that a significant deterrent [~~to redevelopment~~] is
19 the cost of public facilities; that interest rates on moneys
20 necessary to finance such public facilities add significantly to
21 the cost of such facilities and that more favorable interest
22 rates would be available through the issuance of tax-exempt



1 bonds; and that the availability of revenue bonds to finance the
2 cost of public facilities will facilitate redevelopment of
3 community development districts.

4 The legislature further finds that the powers conferred,
5 the issuance of revenue bonds, and the expenditure of public
6 moneys under this part constitute a serving of a valid public
7 purpose, and that this enactment is in the public interest and
8 is so declared as an express legislative determination."

9 SECTION 16. Section 206E-154, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) The revenue bonds shall be payable from and secured
12 by ~~the~~:

13 (1) The revenues derived from the public facility for
14 which the revenue bonds are issued, including revenue
15 derived from insurance proceeds and reserve accounts
16 and earnings thereon[-]; or

17 (2) General excise tax revenues allocated to the authority
18 pursuant to section 237-31; provided that payment is
19 made in accordance with section 206E-157."

20 SECTION 17. Section 206E-157, Hawaii Revised Statutes, is
21 amended to read as follows:



1 **"§206E-157 Revenue bonds; special funds.** (a) A separate
2 special fund shall be established for each public facility
3 financed from the proceeds of the revenue bonds secured under
4 the same trust indenture. Each fund shall be designated "public
5 facility revenue bond special fund" and shall bear additional
6 designation as the authority deems appropriate to properly
7 identify the fund.

8 (b) Notwithstanding any other law to the contrary,
9 including particularly section 206E-16, all revenues, income,
10 and receipts derived from the public facility for which the
11 revenue bonds are issued and shall be paid into the public
12 facility revenue bond fund established for that public facility
13 and applied as provided in the proceedings authorizing the
14 issuance of the revenue bonds.

15 (c) A separate subaccount shall be established for each
16 planning district designated by the authority. Each subaccount
17 shall be designated "planning district subaccount" and shall
18 bear additional designations as the authority deems appropriate
19 to properly identify the fund.

20 (d) Notwithstanding any provision of this chapter to the
21 contrary, general excise tax revenues allocated to the authority
22 under section 237-31 shall be deposited into the separate

1 subaccount established for the planning district where the
2 revenue was collected and applied solely for the payment of
3 principal and interest on bonds associated with projects located
4 in that planning district."

5 SECTION 18. Section 237-31, Hawaii Revised Statutes, is
6 amended to read as follows:

7 **"§237-31 Remittances.** All remittances of taxes imposed by
8 this chapter shall be made by money, bank draft, check,
9 cashier's check, money order, or certificate of deposit to the
10 office of the department of taxation to which the return was
11 transmitted. The department shall issue its receipts therefor
12 to the taxpayer and shall pay the moneys into the state treasury
13 as a state realization, to be kept and accounted for as provided
14 by law; provided that:

15 (1) The sum from all general excise tax revenues realized
16 by the State that represents the difference between
17 \$45,000,000 and the proceeds from the sale of any
18 general obligation bonds authorized for that fiscal
19 year for the purposes of the state educational
20 facilities improvement special fund shall be deposited
21 in the state treasury in each fiscal year to the



1 credit of the state educational facilities improvement
2 special fund;

3 (2) A sum, not to exceed \$5,000,000, from all general
4 excise tax revenues realized by the State shall be
5 deposited in the state treasury in each fiscal year to
6 the credit of the compound interest bond reserve fund;
7 [~~and~~]

8 (3) A sum from all general excise tax revenues realized by
9 the State that is equal to one-half of the total
10 amount of funds appropriated or transferred out of the
11 hurricane reserve trust fund under sections 4 and 5 of
12 Act 62, Session Laws of Hawaii 2011, shall be
13 deposited into the hurricane reserve trust fund in
14 fiscal year 2013-2014 and in fiscal year 2014-2015;
15 provided that the deposit required in each fiscal year
16 shall be made by October 1 of that fiscal year[~~-~~]; and

17 (4) per cent of general excise tax revenues realized
18 by the State from a planning district shall be
19 deposited into the separate subaccount established for
20 that planning district pursuant to section 206E-157."

21 PART IV



1 SECTION 19. Section 46-142, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§46-142 Authority to impose impact fees; enactment of**
4 **ordinances required[-]; exemption.** (a) Impact fees may be
5 assessed, imposed, levied, and collected by:

6 (1) Any county for any development, or portion thereof,
7 not involving water supply or service; or

8 (2) Any board for any development, or portion thereof,
9 involving water supply or service;

10 provided that the county enacts appropriate impact fee
11 ordinances or the board adopts rules to effectuate the
12 imposition and collection of the fees within their respective
13 jurisdictions.

14 (b) Except for any ordinance governing impact fees enacted
15 before July 1, 1993, impact fees may be imposed only for those
16 types of public facility capital improvements specifically
17 identified in a county comprehensive plan or a facility needs
18 assessment study. The plan or study shall specify the service
19 standards for each type of facility subject to an impact fee;
20 provided that the standards shall apply equally to existing and
21 new public facilities.



1 (c) The Hawaii community planning authority may grant an
2 exemption from this part if it so finds that there is sufficient
3 justification by rules established pursuant to section 206E-4."

4 **PART V**

5 SECTION 20. In codifying the new sections added by
6 sections 11 and 13 of this Act, the revisor of statutes shall
7 substitute appropriate section numbers for the letters used in
8 designating the new sections in this Act.

9 SECTION 21. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 22. This Act shall take effect on July 1, 2020.



Report Title:

Hawaii Community Planning Authority; Planning Districts

Description:

Changes the Hawaii community development authority to the Hawaii community planning authority. Establishes planning districts. Creates a process for developers to apply for residential and commercial planning projects. Allocates general excise tax revenues collected within a planning district to be used by the authority to pay principal and interest on bonds associated with projects located in a planning district. Allows the authority to waive impact fees. Authorizes the authority to create business improvement districts and community facilities districts and assess a special assessment to fund the improvements within those districts. Authorizes the authority to act as a density rights bank and transfer a property's density rights to a receiving entity or from a sending authority to increase development in that area as authorized by the authority. Grants a GET exemption to exceptional planning projects. Effective 7/1/2020. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

