
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that homestead lots or
2 housing developed for the department of Hawaiian home lands
3 awarded to native Hawaiians are offered at affordable rates when
4 compared to similar housing opportunities available in Hawaii.
5 The purpose of this Act is to exempt any development of
6 homestead lots or housing for the department of Hawaiian home
7 lands from general excise and use taxes.

8 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§237- Exemptions for any development of homestead lots
12 or housing for the department of Hawaiian home lands. (a) Any
13 amounts related to planning, design, financing, or construction
14 activities conducted by a qualified person or firm for a new
15 construction, moderate rehabilitation, or substantial
16 rehabilitation project for homestead lots or housing for the
17 department of Hawaiian home lands shall be exempted from the tax
18 imposed by this chapter. The project may also be developed:

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1 (1) Under a government assistance program approved by the
2 department of Hawaiian home lands;

3 (2) Under the sponsorship of a nonprofit organization
4 providing home rehabilitation or new homes on Hawaiian
5 home lands for qualified families in need of decent,
6 low-cost housing; or

7 (3) To provide affordable rental housing where at least
8 fifty per cent of the available units are for
9 households with incomes at or below eighty per cent of
10 the area median family income as determined by the
11 United States Department of Housing and Urban
12 Development.

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

18 (c) The department of Hawaiian home lands may establish,
19 revise, charge, and collect a reasonable service fee in
20 connection with its approvals and certifications of the
21 exemption under this section. The fees shall be deposited into

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1 the Hawaiian home operating fund pursuant to section 213(e) of
2 the Hawaiian Homes Commission Act, 1920, as amended.

3 (d) For purposes of this section:

4 "Homestead lot" means a lot of residential, agricultural,
5 or pastoral use to be awarded pursuant to the Hawaiian Homes
6 Commission Act, 1920, as amended, including but not limited to
7 on- and off-site infrastructure requirements, appurtenances, and
8 dwelling units.

9 "Moderate rehabilitation" shall have the same meaning at
10 defined in section 201H-36.

11 "Qualified person or firm" means any individual,
12 partnership, joint venture, corporation, association, limited
13 liability partnership, limited liability company, business,
14 trust, or any organized group of persons or legal entities, or
15 any combination thereof, that possesses all professional or
16 vocational licenses necessary to do business in the State.

17 "Substantial rehabilitation" shall have the same meaning as
18 defined in section 201H-36."

19 SECTION 3. Section 238-3, Hawaii Revised Statutes, is
20 amended by amending subsection (j) to read as follows:

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1 "(j) The tax imposed by this chapter shall not apply to
2 any use of property, services, or contracting exempted by
3 section 237-26 [~~or~~], section 237-29[-], or section 237-_____."

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

6 SECTION 5. This Act, upon its approval, shall take effect
7 on January 1, 2025.

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INTRODUCED BY: _____

BY REQUEST

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____.B. NO._____

Report Title:

Department of Hawaiian Home Lands; General Excise Tax Exemption;
Use Tax Exemption

Description:

Exempts any development of homestead lots or housing for the
Department of Hawaiian Home Lands from general excise and use
taxes.

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