

STAND. COM. REP. NO. 330

Honolulu, Hawaii

FEB 12 2025

RE: S.B. No. 1444  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 1444 entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to, beginning January 1, 2026, authorize general excise tax exemptions for residential care services provided by certain licensed health care facilities pursuant to a contract with the Adult Mental Health Division of the Department of Health.

Your Committee received testimony in support of this measure from the Adult Mental Health Division of the Department of Health, Aloha Care Homes Corporation, and one individual.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the Adult Mental Health Division (AMHD) of the Department of Health currently contracts with Adult Residential Care Homes (ARCH) and Expanded Adult Residential Care Homes (E-ARCH) providers for residential care services for Hawaii State Hospital patients and other appropriate AMHD consumers who qualify for residential care services. However, your Committee further finds that AMHD experiences ongoing difficulties in competing with private pay clients for the same ARCH and E-ARCH



beds in the community, resulting in fewer ARCH and E-ARCH bed placements for AMHD consumers. To be competitive in the ARCH and E-ARCH housing market, this measure provides financial incentive through tax relief from the general excise tax for ARCH and E-ARCH providers to provide needed residential care housing for AMHD consumers.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1444, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Health and Human  
Services,



JOY A. SAN BUENAVENTURA, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Health and Human Services**  
**HHS**

Bill / Resolution No.:* <div style="text-align: center; font-size: 1.2em;">SB 1444</div>	Committee Referral: <div style="text-align: center; font-size: 1.2em;">HHS, WAM</div>	Date: <div style="text-align: center; font-size: 1.2em;">2/5/25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
HASHIMOTO, Troy N.	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
<b>TOTAL</b>	4			1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> <b>Distribution:</b>            Original            File with Committee Report         </div> <div style="text-align: center;">           Yellow            Clerk's Office         </div> <div style="text-align: center;">           Pink            Drafting Agency         </div> <div style="text-align: center;">           Goldenrod            Committee File Copy         </div> </div>				

\*Only one measure per Record of Votes