Honolulu, Hawaii

Fe 717, 2006

RE: H.B. No. 2666 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committees on Water, Land, & Ocean Resources and Housing, to which was referred H.B. No. 2666 entitled:

"A BILL FOR AN ACT RELATING TO CONVEYANCE TAX,"

beg leave to report as follows:

The purpose of this bill is to reduce property taxes for Hawaii's taxpayers and assist the homeless by:

- (1) Establishing the Homeless Assistance Special Fund (Fund);
- (2) Increasing the conveyance tax for multiple sales of the same property within a two-year period; and
- (3) Allocating revenues to the Fund from conveyance taxes on realty sold multiple times within a two-year period.

The Affordable Housing and Homeless Alliance and several concerned individuals testified in support of this bill. The Nature Conservancy of Hawaii supported the intent of this measure. The Department of Budget and Finance and Hawaii Association of Realtors opposed this measure. The Housing and Community Development Corporation of Hawaii, Department of Taxation, and the Tax Foundation of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) For a sale of property that is not taxed as a multiple sale within a two-year period, specifying that unless agreed otherwise by the buyer and seller, the buyer of real property is responsible for the tax assessed on condominiums or single family dwellings that are sold;
- (2) Exempting individuals eligible for a home exemption and active duty military members from the conveyance tax assessment on multiple sales of property within a two-year period;
- (3) Removing the reference to rulemaking by the Department of Taxation;
- (4) Changing the effective date to January 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2666, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2666, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Water, Land, & Ocean Resources and Housing,

MICHAEL D. KAHIKINA Chair

MICHAEL P. KAHIKINA, Chair

EZRA R. KANOHO, Chair

## State of Hawaii House of Representatives The Twenty-third Legislature

## Record of Votes of the Committee on Water, Land, & Ocean Resources

Bill/Resolution No.:	Date:	-113/06				
Committee Referral:	1					
HB 2666  Committee Referral:  WLO/HS G, FIN  The committee is reconsidering its previous decision on the measure.						
The recommendation is to:  Pass, unamended	Pass, with amendments					
☐ Hold ☐ Recommit						
WLO Members	Ayes	Ayes (WR)	Nays	Excused		
1. KANOHO, Ezra R. (C)						
2. SCHATZ, Brian (VC)						
3. BERG, Lyla B., Ph.D.						
4. CARROLL, Mele						
5. EVANS, Cindy						
6. HARBIN, Bev						
7. MORITA, Hermina M.						
8. WATERS, Tommy						
9. MEYER, Colleen Rose						
10. THIELEN, Cynthia	1					
TOTAL	5	3	,	/		
The recommendation is:  Adopted  Not Adopted  If joint referral, did not support recommendation.  committee acronym(s)						
Vice Chair's or designee's signature:						
Rep Cindy Evans						
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office						

## State of Hawaii House of Representatives The Twenty-third Legislature

## **Record of Votes of the Committee on Housing**

Bill/Resolution No.:	Date: 2 -13-06					
HB 2666	2-13-06					
Committee Referral: WL0/HSG, FIN	☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to:   Pass, unamended	Pass, with amendments					
☐ Hold	☐ Re	commit				
HSG Members	Ayes	Ayes (WR)	Nays	Excused		
1. KAHIKINA, Michael Puamamo (C)						
2. NISHIMOTO, Scott Y. (VC)						
3. ARAKAKI, Dennis A.						
4. GREEN, Josh, M.D.	,					
5. HALE, Heléne H.						
6. KAWAKAMI, Bertha C.						
7. SONSON, Alex M.						
8. HALFORD, Chris						
9. PINE, Kymberly						
TOTAL	5	2	2			
The recommendation is:    Adopted						
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office						