STAND. COM. REP. NO. 1649 -06

Honolulu, Hawaii

April 7, 2006

RE:

S.B. No. 2076

S.D. 2

H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2076, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LEASEHOLD CONVERSION,"

begs leave to report as follows:

The purpose of this bill is to encourage lessors of residential real properties to sell their fee interest by providing an incentive in the form of an income tax exemption for 100 percent of the gain realized from the sale.

Hawaii Independent Condominium & Cooperative Owners, Hawaii Council of Associations of Apartment Owners, Hawaii Association of Realtors, The League of Women Voters of Hawaii, Monarch Properties, Inc., and several concerned individuals testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2076, S.D. 2, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

DWIGHT TAKAMINE, Chair

State of Hawaii House of Representatives The Twenty-third Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 2076, SD2, HD1		Date: 4.6.06			
Committee Referral: HSG, CPC, FIN		☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to:	Ş€ Pa	Pass, with amendments			
	☐ Hold	□ Re	ecommit		
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)					
2. KAWAKAMI, Bertha C. (VC)					
3. CARROLL, Mele					
4. CHONG, Pono		V			
5. EVANS, Cindy 6. LEE, Marilyn B.					
7. MAGAOAY, Michael Y.		- W			
8. NAKASONE, Bob					
9. NISHIMOTO, Scott Y.					
10. TANAKA, Kameo	Tana da mana d				
11. TSUJI, Clift					
12. WAKAI, Glenn		1			
13. YAMANE, Ryan I.		<u>.</u>			
14. YAMASHITA, Kyle T.					
15. MEYER, Colleen Rose					
16. MOSES, Mark S.					. سند
17. PINE, Kymberly 18. STEVENS, Anne V.					
10. SIEVENS, AIRE V.					
TOTAL		17			1
The recommendation is:	Adopted				
	☐ Not Adopted				
			** *	1	
	If joint referral,com	nmittee acronym(ort recommendation	
Vice Chair's or designee's sign	nature:	Clauda	leene'		
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