

STAND. COM. REP. NO.

1472

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 600  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred S.B. No. 600 entitled:

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

begs leave to report as follows:

The purpose of this bill is to provide an incentive for lessors to sell their fee interests in residential properties to lessees by temporarily excluding from taxable income 100 percent of the gain realized from the sale of the leased fee interest to the association of apartment owners or the residential cooperative corporation of the leasehold units.

The Hawaii Association of REALTORS, Hawaii Independent Condominium & Cooperative Owners, Hawaii Legislative Action Committee of the Community Associations Institute, Hawaii Council of Associations of Apartment Owners, Kuilima Estates West Association of Apartment Owners, Kuilima Estates East Association of Apartment Owners, Monarch Properties, Inc., Association of Apartment Owners of Diamond Head Beach Hotel and Residences, 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 changing the effective date to July 1, 2112, to encourage further discussion.

SB600 HD1 HSCR CPC HMS 2007-3341



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 600, H.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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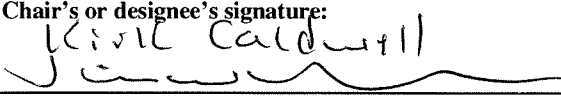
ROBERT N. HERKES, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

HSCR 1472

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 600		Date: March 21, 2007		
Committee Referral: HSH, CPC, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				✓
2. McKELVEY, Angus L.K. (VC)	✓			
3. CALDWELL, Kirk	✓			
4. EVANS, Cindy	✓			
5. GREEN, Josh, M.D.	✓			
6. ITO, Ken	✓			
7. LUKE, Sylvia	✓			
8. MORITA, Hermina M.				✓
9. SONSON, Alex M.	✓			
10. SOUKI, Joseph M.	✓			
11. TSUJI, Clift				✓
12. YAMANE, Ryan I.	✓			
13. YAMASHITA, Kyle T.	✓			
14. MARUMOTO, Barbara C.	✓			
15. THIELEN, Cynthia				✓
TOTAL	11			4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				