STAND. COM. REP. NO.

Honolulu, Hawaii

FEB 1 8 2011

RE: S.B. No. 1241

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 1241 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to repeal the conveyance tax exemption for the sale or transfer of land for low-income housing projects that have been certified by the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Catholic Charities Hawai'i. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the conveyance tax has not been a significant barrier to affordable housing development because the conveyance tax is paid by the seller and not the purchaser who will be developing the low-income housing project. Exemption from the conveyance tax for low-income housing projects has not helped to increase the inventory of affordable housing and should be repealed. Your Committee further finds that based on the testimony from the Department of Taxation, the impact of this measure on the General Fund will be minimal.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of

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S.B. No. 1241 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Water, Land, and Housing,

DONOVAN M. DELA CRUZ, Chair

The Senate Twenty-Sixth Legislature State of Hawai'i

Record of Votes Committee on Water, Land, and Housing WLH

Bill / Resolution No.:*	Committee Referral:			Date:	
SB1241	WLH I WAM			2-15-11	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)					
SOLOMON, Malama (VC)					
FUKUNAGA, Carol					
RYAN, Pohai					
SHIMABUKURO, Maile					
TOKUDA, Jill N.					
SLOM, Sam					
		MAGINE MATERIAL VA. 1974 MATERIAL MATER			
TOTAL		4			3
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes