STAND. COM. REP. NO.

372

Honolulu, Hawaii

February 19, 2015

RE: H.B. No. 345

H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 345 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to impose a conveyance tax on the conveyance or transfer of a controlling interest in an entity that has interest in real property located within the State.

The Nature Conservancy, Catholic Charities Hawaii, and IMUAlliance supported this measure. The Department of Land and Natural Resources supported the intent of this measure. The Land Use Research Foundation of Hawaii and Chamber of Commerce Hawaii opposed this measure. The Department of Taxation and Tax Foundation of Hawaii commented on the measure.

Your Committee has amended this measure by:

- (1) Clarifying that the entity holding the interest in real property shall have no more than ten persons with ownership interests immediately prior to the transfer of interest where the transfer consists solely of a change in controlling interest to qualify for the exemption from the conveyance tax;
- (2) Requiring a spouse to be considered a separate person when determining ownership for tax exemption purposes;

- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 345, H.D. 1, and be referred to the Committee on Finance.

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

MARK J. HASHEM, Chair

State of Hawaii House of Representatives The Twenty-eighth Legislature

HSCR 372

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 345	Committee Referral:	Date:	2/9/2015	
	HSG, FIN		P1 10013	·
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)				
2. JORDAN, Jo (VC)			·	
3. BELATTI, Della Au				V
4. CREAGAN, Richard P.				
5. KOBAYASHI, Bertrand				
6. MORIKAWA, Dee				
7. OSHIRO, Marcus R.				
8. FUKUMOTO CHANG, Beth				
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TOTAL (8)	7			1
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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