STAND. COM. REP. NO.

Honolulu, Hawaii March 7, 2017

RE: H.B. No. 1012 H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1012, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE INVESTMENT TRUSTS,"

begs leave to report as follows:

The purpose of this measure is to temporarily disallow the deductions for dividends paid by real estate investment trusts for a period of 15 years, except for dividends generated from trustowned housing that is affordable to households with incomes at or below 140 percent of median family income, as determined by the United States Department of Housing and Urban Development.

Steiner & Associates, International Longshore and Warehouse Union Local 142, and several concerned individuals supported this bill. The Land Use Research Foundation of Hawaii, Hawaii Association of REALTORS, Park Hotels & Resorts, Inc., Pacific Resource Partnership, Hawaii Regional Council of Carpenters, Kobayashi Group, The MacNaughton Group, BlackSand Capital, Hawaii Real Estate for American Assets Trust, Douglas Emmett, Inc., Public Storage, National Association of Real Estate Investment Trusts, Taubman Centers, GGP Inc., The Shidler Group, OP Trust, DeBartolo Hawaii, and General Contractors Association of Hawaii opposed this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.



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Your Committee has amended this measure by changing the effective date to July 1, 2030, to facilitate further discussion.

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 H.B. No. 1012, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1012, H.D. 2.

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

SYLVIA LUKE, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature

HSCR 1075

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 1012, HD 1	Committee	Referral: HSG)}	-IN Date	2/23/17	
□ The committee is reconsidering its prev	vious decision	on the measure.		I	
	unamended (a short form bill		s, with amendments nmit for future public		
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)			en t		
2. CULLEN, Ty J.K. (VC)					
3. CACHOLA, Romy M.					
4. CHOY, Isaac W.		\checkmark			
5. DeCOITE, Lynn					
6. GATES, Cedric Asuega					
7. HOLT, Daniel	a da antes Series de la composición de la composición Series de la composición				
8. KEOHOKALOLE, Jarrett		\checkmark			
9. KOBAYASHI, Bertrand					4
10. LoPRESTI, Matthew S.		\checkmark			
11. LOWEN, Nicole E.		\checkmark			
12. NAKAMURA, Nadine K.					
13. TOKIOKA, James Kunane				:	
14. QUINLAN, Sean		\checkmark			
15. YAMASHITA, Kyle T.					
16. TUPOLA, Andria P.L.					
17. WARD, Gene					
TOTAL (17)		13	3	0	
The recommendation is: Add If joint	referral,	Not Adopte committee acronym(s	did not suppo	ort recommendation.	
Vice Chair's or designee's signature:	(h	J.K.	and		
Distribution: Original (White) - Commi	ittee Du	plicate (Yellow) –	Chief Clerk's Office	e Duplicate (Pi	nk) – HMSO