STAND. COM. REP. NO.



Honolulu, Hawaii

FEB 1 3 2018

RE: S.B. No. 2188 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2188 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- Establish an additional conveyance tax for the sale of certain condominiums or single family residences; and
- (2) Require that the revenue collected in each county from the additional conveyance tax be allocated to the respective county's affordable housing fund.

Your Committee received testimony in support of this measure from the Maui County Council. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that creating additional affordable housing units is a top priority in each of the counties. Demand for affordable housing is far outpacing supply, and creative solutions and resources are needed for each county to uniquely address the dire shortage of housing. This measure therefore establishes an additional conveyance tax on condominiums and

single family residences with a value of \$2,000,000 or more and allocates one hundred percent of the revenue from the additional tax to the revolving affordable housing fund of the county where the property is located. The Department of Taxation testified before your Committee that the Department estimates that the additional conveyance tax proposed by this measure could raise an additional \$56,800,000 per year for affordable housing.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2188, S.D. 1, and be referred to your Committee on Ways and Means.

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

ROSALYN H. BAKER, Chair

The Senate Twenty-Ninth Legislature State of Hawai'i

Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:* Committee Referral: Date:				
SB 2188 CPH, WAM 2/7/18				
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
BAKER, Rosalyn H. (C)	/			
TOKUDA, Jill N. (VC)	/			
CHANG, Stanley	./			
ESPERO, Will	/ .			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				
RUDERMAN, Russell E.				
			-1	
			4	
133	***			
TOTAL	6			١
Recommendation:				
Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original V Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes