

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 2188  
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B.  
No. 2188, S.D. 1, 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 use the  
conveyance tax as a source of funding for affordable housing.

More specifically, the measure:

- (1) Increases the conveyance tax on the sale of each  
condominium and single family residence with a value of  
at least \$2,000,000; and
- (2) Requires that all revenues received as result of the  
foregoing tax increase be paid into the respective  
county's affordable housing fund.

Your Committee received written comments in support of this  
measure from the Office of Hawaiian Affairs, the Maui County  
Council, and three individuals.

Your Committee received written comments in opposition to  
this measure from the Hawaii Association of REALTORS and the Land  
Use Research Foundation of Hawaii.



Your Committee received written comments on this measure from the Department of Taxation.

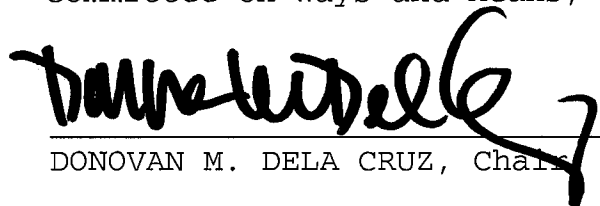
Your Committee finds that the demand for affordable housing far exceeds supply, and that increasing the availability of affordable housing should be a top priority. Your Committee believes that this measure will lead to an increase in funding for affordable housing.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2019, to allow the Department of Taxation sufficient time to update forms and instructions that are relevant to the purposes of this measure; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2188, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2188, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2188, SD1</b>	Committee Referral: <b>CPH, WAM</b>	Date: <b>2/23/18</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
<b>TOTAL</b>	<b>10</b>			<b>1</b>
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted           <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: 				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div style="text-align: center;"> <b>Distribution:</b>            Original            File with Committee Report         </div> <div style="text-align: center;">           Yellow            Clerk's Office         </div> <div style="text-align: center;">           Pink            Drafting Agency         </div> <div style="text-align: center;">           Goldenrod            Committee File Copy         </div> </div>				

\*Only one measure per Record of Votes