

STAND. COM. REP. NO.

2565

Honolulu, Hawaii

MAR 01 2018

RE: S.B. No. 2756
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 Ways and Means, to which was referred S.B. No. 2756 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 increase the inventory of affordable rental units in the State by repealing the statutory cap on the allocation of conveyance tax revenue dedicated for deposit into the rental housing revolving fund.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Hawaii Association of REALTORS; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Construction Alliance; Partners in Care; Catholic Charities Hawaii; IMUAlliance; and eight individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the rental housing revolving fund provides crucial gap financing to build affordable rental housing projects in the State. Your Committee also finds that current law provides for fifty percent of conveyance tax revenues to be deposited into the rental housing revolving fund, up to a maximum



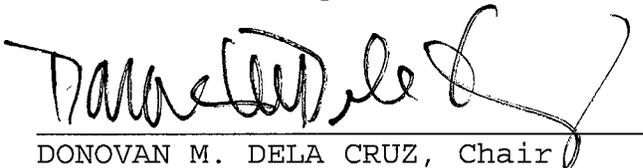
of \$38,000,000. Your Committee further finds that if the statutory cap of \$38,000,000 did not exist, an additional \$6,000,000 would have been deposited into the rental housing revolving fund during fiscal year 2016-2017, which would have been enough funding to make available an additional forty affordable rental housing units for the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making a technical nonsubstantive amendment for the purpose of clarity.

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. 2756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2756, S.D. 1, and be placed on the calendar for Third Reading.

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

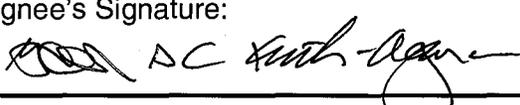


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB2756	Committee Referral: WAM	Date: 2/8/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.				X
RIVIERE, Gil				X
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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