

STAND. COM. REP. NO. **3352**

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2216
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 2216, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to establish the empty homes tax.

More specifically, this measure:

- (1) Establishes an empty homes tax on transfers and conveyances of certain vacant residential real property;
- (2) Requires every person who is liable for imposition of the empty homes tax to file a sworn tax return with the Director of Taxation each month;
- (3) Requires the Department of Taxation to deposit all revenues from the empty homes tax into the dwelling unit revolving fund;
- (4) Specifies the process to appeal an empty homes tax assessment;



- (5) Requires the retention of records relating to empty homes tax levies and assessments for a period of three years; and
- (6) Requires the Director of Taxation to administer and enforce the empty homes tax.

Your Committees received written comments in support of this measure from IMUA Alliance.

Your Committees received written comments in opposition to this measure from Hawaii Association of REALTORS and one individual.

Your Committees received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that according to the Department of Business, Economic Development, and Tourism, the State will need approximately sixty-five thousand new housing units by 2025 to satisfy the demand for housing. Your Committees further find that there are approximately thirty thousand vacant homes in the City and County of Honolulu alone. Accordingly, your Committees believe that imposing an empty homes conveyance tax will help to increase the housing supply in the State by decreasing the number of vacant housing units.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2216, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2216, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committees on Ways and Means
and Judiciary,

Karl Rhoads

KARL RHOADS, Chair



Tran Dela Cruz

DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB 2214, SDI</i>	Committee Referral: <i>HOU, WAM / JDC</i>	Date: <i>2/26/20</i>		
<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			
HARIMOTO, Breene				X
INOUYE, Lorraine R.				X
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil			X	
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	<i>8</i>		<i>1</i>	<i>4</i>
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

The Senate
Thirtieth Legislature
State of Hawai'i

**Record of Votes
Committee on Judiciary
JDC**

Bill / Resolution No.:* SB 2216 SD1	Committee Referral: HOU, WAM/JDC	Date: 2/26/2020		
<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
RHOADS, Karl (C)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike				/
KIM, Donna Mercado	/			
FEVELLA, Kurt	/			
TOTAL	4			1
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