

STAND. COM. REP. NO.

205

Honolulu, Hawaii

FEB 12 , 2021

RE: H.B. No. 286
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 286 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:

- (1) Require a real estate investment trust to notify the
Department of Taxation of its presence within the State
and to report certain tax information; and
- (2) Impose a daily monetary fine for noncompliance.

Your Committee received testimony in support of this measure
from Faith Action for Community Equity, International Longshore &
Warehouse Union Local 142, Hawaii State Teachers Association, Imua
Alliance, Democratic Party of Hawai'i Education Caucus, Faith
Action, LGBT Caucus of the Democratic Party of Hawaii, Trinity
United Methodist Church, Hawai'i Alliance for Progressive Action,
Young Progressives Demanding Action, and numerous individuals.
Your Committee received testimony in opposition to this measure
from Park Hotels & Resorts, Inc.; and Securities Industry
Association of Hawaii. Your Committee received comments on this
measure from the Department of Taxation, NAIOP Hawaii, Douglas

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Emmett, Tax Foundation of Hawaii, Nareit Hawaii, and Alexander & Baldwin.

Your Committee finds that real estate investment trusts play a significant role in Hawaii's economy and the State would benefit from the accurate collection of data about their economic activities. As Hawaii faces major budget shortfalls this year and several years to come, it is imperative that all corporations provide accurate reporting of their assets and revenues generated.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Taxation may require a real estate investment trust to notify the Department of the trust's presence within the State and report the assets and revenues generated annually;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 286, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



SEAN QUINLAN, Chair



