STAND. COM. REP. NO. **19** Honclulu, Hawaii , 2021 **FEB 10** RE: H.B. No. 605 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 Housing, to which was referred H.B. No. 605 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING SAVINGS ACCOUNTS,"

begs leave to report as follows:

The purpose of this measure is to establish a housing savings account system, headed by the Housing Savings Account Board within the Department of Budget and Finance, that requires each employer in the State to offer its employees the opportunity to contribute to a housing savings account through payroll deduction to be used for down payments, mortgage payments, rent, and security deposits.

Your Committee received testimony in support of this measure from Faith Action HousingNOW! and one individual. Your Committee received comments on this measure from the Department of Budget and Finance, Tax Foundation of Hawaii, and Hawaii Credit Union League.

While your Committee recognizes the merits of state programs aimed at addressing the costs of housing in the State, it also recognizes that the establishment of a housing savings account system requires careful assessment of the costs and benefits of such a program. Your Committee understands the concerns raised in Committee regarding the costs of staffing and operating such a system, as well as administrative and compliance considerations.



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Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have established a housing savings account system and instead requiring the Legislative Reference Bureau to:
 - (A) Conduct a study on the establishment of a housing savings account system that would provide every employee in the State the ability to automatically contribute to a housing savings account through payroll deduction; and
 - (B) Submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2022;
- (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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 605, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

> Respectfully submitted on behalf of the members of the Committee on Housing,

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NADINE K. NAKAMURA, Chair

State of Hawaii House of Representatives The Thirty-first Legislature

Record of Votes of the Committee on Housing

Bill/Resolution No.:Committee Referral:Date:HB 605HSG, CPC, FIN2/4/21				
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: θ Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKAMURA, Nadine K. (C)				·····
2. HASHIMOTO, Troy N. (VC)				
3. AQUINO, Henry J.C.				
4. DeCOITE, Lynn		<u> </u>		Constitute of SAN Armin
5. ILAGAN, Greggor				
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6. KITAGAWA, Lisa				
7. TAKUMI, Roy M.				<u> AAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA</u>
7. TAKUMI, Roy M.				
8. McDERMOTT, Bob		thailte an fear a thair a treasannachanachan thailte th		
TOTAL (8)	7	2	Ð	1
The recommendation is: θ Adopted θ Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				