OFFICE OF THE SPEAKER THIRTY-FIRST STATE LEGISLATURE

COMMITTEE REFERRALS

NO. 4 8TH LEGISLATIVE DAY - FEBRUARY 2, 2021

Committee Abbreviations:

AGR -	Agriculture	HET -	Higher Education & Technology
CAI -	Culture, Arts, & International Affairs	HHH -	Health, Human Services, & Homelessness
CMV -	Corrections, Military, & Veterans	HSG -	Housing
CPC -	Consumer Protection & Commerce	JHA -	Judiciary & Hawaiian Affairs
ECD -	Economic Development	LAT -	Labor & Tourism
EDN -	Education	LMG -	Legislative Management
EEP -	Energy & Environmental Protection	PDP -	Pandemic & Disaster Preparedness
FIN -	Finance	TRN -	Transportation
GVR -	Government Reform	WAL -	Water & Land

Committee RE-REFERRAL

HB3 RELATING TO REVENUE GENERATION.

ECD, HSG, FIN

Increases the personal income tax rate and implements a rate recapture mechanism that phases out lower tax brackets for high earners for taxable years beginning after 12/31/2020. Increases the tax on capital gains. Increases the corporate income tax and establishes a single corporate income tax rate. From 7/1/2021 through 6/30/23, temporarily repeals certain general excise tax exemptions. Increases conveyance taxes for the sale of properties valued at \$1,000,000 or greater.

<u>HB7</u> RELATING TO MARIJUANA.

HHH, JHA/CPC,

Legalizes the personal use, possession, and sale of marijuana in a FIN specified quantity. Requires licensing to operate marijuana establishments. Subjects marijuana establishments to excise taxes and income taxes. Amends certain provisions of the criminal code relating to marijuana.

HB75 RELATING TO GRANTS.

ECD, FIN

Allows an organization to qualify for grants under chapter 42F, Hawaii Revised Statutes, if the organization spends at least ninety per cent of its operating budget in the State.

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Committee RE-REFERRAL HB133 RELATING TO CAPITAL GAINS. ECD, FIN Increases the capital gains tax threshold from 7.25 per cent to 9 per cent. Effective for tax years beginning after 12/31/2020. RELATING TO TAXATION. TRN, FIN HB158 Extends the period in which a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2019 to 3/31/2022. HB194 RELATING TO TAXATION. TRN, FIN Extends the period in which a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2019 to 6/30/2022. RELATING TO ELECTIONS. **HB196** JHA, FIN Reinstates the definition of "precinct" and amends the definition of "district" to facilitate the administration of elections. **HB205** RELATING TO DISCLOSURE OF ATTORNEY-CLIENT LMG, JHA, FIN AND ATTORNEY WORK-PRODUCT PRIVILEGED COMMUNICATIONS TO THE OMBUDSMAN. Specifies that disclosure of communications by an agency to the ombudsman does not waive any existing attorney-client or attorney work-product privilege pertaining to those communications. Prohibits the ombudsman from disclosing privileged communications to others. RELATING TO CANNABIS. **HB238** HHH, JHA/CPC, Authorizes persons 21 years of age or older to possess or use FIN limited amounts of cannabis for recreational purposes. Authorizes the licensing, regulation, and taxation of cannabis cultivation, manufacturing, testing, and retail sales facilities. Specifies that only existing medical cannabis dispensary licensees may apply for licensure as a cannabis establishment, but may be permitted to establish additional retail dispensing locations. Allocates an unspecified percentage of general excise tax revenues derived from retail cannabis sales transactions to the counties. Specifies the application and non-application of the Internal Revenue Code to expenses related to the production and sale of cannabis and cannabis products for state income tax purposes. Amends certain provisions of the penal code relating to offenses involving marijuana and expands the affirmative defense to prosecution to include persons acting in accordance with the new part in Chapter 329, HRS, created by Section 2 of

this Act. Repeals limitations on authorized sources of medical

cannabis.

Committee RE-REFERRAL

<u>HB363</u> RELATING TO GAMING.

ECD, JHA/CPC,

FIN

Establishes the Hawaii lottery and gaming corporation for the purpose of conducting gambling in Hawaii. Allocates proceeds to capital improvements at public schools and the University of Hawaii system, scholarships and educational loan repayments for medical students who practice in Hawaii for ten years, support for the family practice rural residency program, watershed protection, and reduction and prevention of problem gambling. Effective 7/1/2021.

HB364 RELATING TO TAXATION.

LAT, FIN

Authorizes counties to levy a county surcharge on transient accommodations tax in their respective counties pursuant to certain conditions. Sunsets on 12/31/2036.

HB383 RELATING TO A STATE POKER COMMISSION.

ECD, CPC/JHA,

Establishes a state poker commission to oversee the licensing and FIN operation of specified gaming activities in the State, including live poker rooms. Designates as commissioners the respective directors of business, economic development, and tourism; commerce and consumer affairs; and taxation; or their designees.

Appropriates funds.

<u>HB421</u> RELATING TO AN ADVISORY REFERENDUM ON

HHH, JHA/CPC,

FIN

CANNABIS IN HAWAII.

Requires an advisory referendum consisting of a question to be placed on the ballot for the general election of 2022 on whether

the electorate wishes the State to legalize the sale and use of

recreational cannabis in Hawaii.

HB422 RELATING TO CONTROLLED SUBSTANCES.

HHH, JHA/CPC,

Adds Delta 8 tetrahydrocannabinol as another name for Delta 6 cis or trans tetrahydrocannabinol, on schedule I of the list of

controlled substances.

CPC, FIN

FIN

<u>HB445</u> RELATING TO INCREASING THE ESTATE TAX.

Lowers the exclusion amount of Hawaii's estate tax to

\$1,000,000. Applicable to decedents dying or taxable transfers

occurring after 12/31/2020.

HB457 RELATING TO LEGALIZED GAMBLING.

ECD, CPC/JHA,

FIN

Establishes a task force within the department of business, economic development, and tourism to study and recommend to the legislature the feasibility of authorizing controlled legalized gambling in the State, including offshore gambling and a state lottery system, to generate revenues for pay raises for teachers and police officers. Appropriates funds for the study.

Committee RE-REFERRAL

<u>HB510</u> RELATING TO TAXATION.

TRN, FIN

Establishes a vehicle registration fee tax credit for persons who are eligible for a refundable food/excise tax credit greater than \$0.

<u>HB514</u> RELATING TO ON-SITE EARLY CHILDHOOD

EDN, FIN

FACILITIES.

Establishes an income tax credit for employers who create on-site early childhood facilities. Establishes and appropriates funds for 1.0 FTE on-site early childhood facility coordinator position. Applies to taxable years beginning after 12/31/2021.

HB533 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE

EDN, FIN

REVENUE BONDS TO ASSIST LE JARDIN ACADEMY,

Authorizes the issuance of special purpose revenue bonds to assist Le Jardin Academy, Inc., in planning, designing, constructing, reconstructing, renovating, acquiring, equipping, and improving educational facilities.

<u>HB542</u> RELATING TO THE UNIFORM CONTROLLED

JHA, CPC

SUBSTANCES ACT.

Removes cannabidiol drugs that have been approved by the United States Food and Drug Administration from the list of Schedule V substances for consistency with federal laws.

HB550 RELATING TO ENERGY EFFICIENCY.

EEP, CPC, FIN

Requires and establishes deadlines for state facilities, except smaller facilities and facilities at Aloha Stadium, to implement cost-effective energy efficiency measures. Directs the Hawaii state energy office to collect utility bill and energy usage data for state-owned buildings and to make the data publicly available. Provides that certain agencies that perform energy efficiency retrofitting may continue to receive appropriations for energy expenditures at an amount that accounts for any costs or debt service for the implementation and management of energy efficiency measures. Beginning 7/1/2021, requires, where feasible and cost-effective, the design of all new state building construction to maximize energy and water efficiency, maximize energy generation potential, and use building materials that reduce the carbon footprint of the project.

<u>HB682</u> RELATING TO TAXATION.

ECD, FIN

Establishes a task force in the department of taxation to discuss the need to rebalance and repurpose the tax programs created by the general excise tax, income tax, and property tax laws.

Committee RE-REFERRAL

HB736 RELATING TO SPORTS BETTING.

ECD, CPC/JHA,

FIN

Amends the definition of gambling to exclude digital sports betting on a platform licensed pursuant to state law. Requires the department of business, economic development, and tourism, to develop a pilot program to license businesses in the State to operate digital sports betting platforms. Provides an amended definition of gambling to be enacted when the pilot program ceases to exist.

RELATING TO CASINO GAMING. **HB772**

ECD, CPC/JHA,

Grants 10-year license for 1 stand-alone, members-only casino in FIN Waikiki, not in a hotel. Allows guests 21 years of age or older who register to stay 1 day and night at a hotel on Oahu for each day of admission at \$20-per-day pass. Establishes the Hawaii gaming control commission. Imposes wagering tax on gross receipts. Creates the state gaming fund and compulsive gambler program.

RELATING TO ONLINE FANTASY SPORTS. HB850

ECD, CPC/JHA,

FIN

Establishes an online fantasy sports contests registration and monitoring program under the department of the attorney general. Exempts registered online fantasy sports contests from state gambling laws. Appropriates funds.

HB1022 RELATING TO THE TAKING OF NATURAL RESOURCES.

EEP, JHA

Clarifies that any police officer or agent of the Department of Land and Natural Resources (Department) upon whom the Board of Land and Natural Resources (Board) has conferred police powers may, in the performance of their primary duties, inspect certain items for compliance with title 12, chapters 6D, 6E, and 6K, Hawaii Revised Statutes, and any rule adopted thereunder, relating to the protection and conservation of natural resources. Establishes penalties for refusal to comply with inspection requests made by any police officer or agent of the Department upon whom the Board has conferred police powers.

RELATING TO THE UNIFORM CONTROLLED HB1032

JHA, CPC

SUBSTANCES ACT.

Updates the Uniform Controlled Substances Act, chapter 329, Hawaii Revised Statutes, to make it consistent with amendments in the federal controlled substances law as required by section 329-11, Hawaii Revised Statutes.