Honolulu, Hawaii **FEB 10** , 2021

RE: H.B. No. 1324 H.D. 1

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

Sir:

Your Committees on Pandemic & Disaster Preparedness and Economic Development, to which was referred H.B. No. 1324 entitled:

"A BILL FOR AN ACT RELATING TO COMMERCIAL PROPERTY RENT RELIEF,"

beg leave to report as follows:

The purpose of this measure is to establish a commercial rent relief grant program for owners of properties classified as commercial, hotel and resort, or industrial under county real property tax classifications, under certain circumstances.

Your Committees received testimony in support of this measure from the Tanaka of Tokyo Restaurants; Blue Ginger; Joe's Grill Express; The Bar Method Honolulu; Hawaii Food Industry Association; Hawaii Association of REALTORS; Chamber of Commerce Hawaii; Island Business Management, LLC; Eggs 'n Things; Oahu Coffee and Sodaworks, Inc. dba Morning Brew Cafe; NAIOP Hawaii Chapter; Akamai Foundation; Suzuki Properties, LLC; MW Group, Ltd.; Retail Merchants of Hawaii; and nine individuals. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that in order to mitigate the effects of the coronavirus disease 2019 (COVID-19) pandemic, the Governor proclaimed a state of emergency, which required many businesses to close down. The mandated closures, while necessary, have had a devastating impact on the local economy. Your Committees further find that due to these mandated closures, commercial landowners have also suffered financially due to unpaid rent or business closures. Your Committees recognize the efforts of commercial landowners who have tried to ease the financial burden placed on small businesses in the State by providing rent forgiveness to their tenants. Your Committees believe that commercial landowners who provided rent forgiveness to their tenants should be helped so that small businesses may continue to operate in the State.

Your Committees have amended this measure by:

- (1) Changing the administering agency for the commercial rent relief grant program from the Department of Taxation to the Department of Business, Economic Development, and Tourism;
- (2) Authorizing the Department of Taxation to share confidential tax information necessary to determine the eligibility for a grant with the Department of Business, Economic Development, and Tourism;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Pandemic & Disaster Preparedness and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1324, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1324, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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Respectfully submitted on behalf of the members of the Committees on Pandemic & Disaster Preparedness and Economic Development,

SEAN QUINLAN, Chair

LINDA ICHIYAMA, Chair

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Record of Votes of the Committee on Pandemic & Disaster Preparedness

	mittee Referral:	e Referral: CD, CPC, FIN Date: 2-4-21					
θ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: θ Pass, unamended (as is) Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)							
PDP Members	Ayes	Ayes (WR)	Nays	Excused			
1. ICHIYAMA, Linda (C)							
	ASIL VENEZUESKE						
2. ELI, Stacelynn K.M. (VC)			CA COME TO COMPANY OF THE COMPANY	Tende William Commonwealth and State Of the			
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3. CULLEN, Ty J.K.				RESTRICTED IN PROPERTY.			
4. McKELVEY, Angus L.K.			INGS SILEY ASSESS VERY	Marcon Street March Street			
5. MIZUNO, John M.				A CHARLES TO SEE THE			
3. WIZUNO, John W.							
6. WILDBERGER, Tina							
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7. WOODSON, Justin H.			69 1				
8. YAMASHITA, Kyle T.	~						
9. WARD, Gene	✓						
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TOTAL (9)	9						
The recommendation is: Adopted If joint referral,	Adopted 0 Not Adopted If joint referral, did not support recommendation. committee acronym(s)						
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

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Record of Votes of the Committee on Economic Development

Bill/Resolution No.: Committe HB 1324 PDF	ittee Referral: DP/ECD, CPC, FIN Date: 2 4 2						
θ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: θ Pass, unamended (as is) θ ass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)							
ECD Members	Ayes	Ayes (WR)	Nays	Excused			
1. QUINLAN, Sean (C)							
2. HOLT, Daniel (VC)							
3. BELATTI, Della Au		CHANGE STREET					
	1			RENDER!			
4. KOBAYASHI, Dale T.							
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5. ONISHI, Richard H.K.	, /						
C CANADA Indian D							
6. SAYAMA, Jackson D.	Karton California		LESSED STORY	Respondent to the			
7. TAKAYAMA, Gregg							
8. OKIMOTO, Val							
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TOTAL (8)	8	0	0	0			
The recommendation is: (b) Adopted (c) Adopted (did not support recommendation. (c) Committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO							