STAND. COM. REP. NO.

1145

Honolulu, Hawaii MAR 03 , 2023

RE: H.B. No. 1363 H.D. 3

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1363, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- Extend the period within which a county may adopt a surcharge on state tax, under certain conditions, from March 31, 2019, to December 31, 2023;
- (2) Authorize, in certain instances, the use of county surcharge revenues for housing infrastructure and operating or capital costs of walkways on county roads near public schools; and
- (3) Temporarily authorize counties that have previously adopted a surcharge on state tax to amend the uses of surcharge revenues.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Office of the Mayor of the County of Maui, two members of the Maui County Council, Maui Hotel & Lodging Association, and Land Use Research Foundation of Hawaii. Your Committee received comments

2023-2190 HB1363 HD3 HSCR HMSO

STAND. COM. REP. NO. 1145 Page 2

on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- Clarifying that a county with a population equal to or less than 500,000 that adopts a county surcharge on state tax ordinance after December 31, 2022, shall only use the surcharge revenues for housing infrastructure; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1363, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1363, H.D. 3.

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

KYLE T. YAMASHITA, Chair

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB1363 HD2		e Referral: HSG, FIN	Date	2/27/23	}
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle 7	C. (C)	V			
2. KITAGAWA, Lisa (V	C)				
3. AIU, Micah P.K.					
4. CHUN, Cory M.					
5. COCHRAN, Elle		\checkmark			
6. GARRETT, Andrew	Fakuya	V		-	
7. KAHALOA, Kirstin		V			
8. KILA, Darius K.	-	V			a constant of the second se
9. KOBAYASHI, Bertra	diamately with the second s	\sim			
10. LAMOSAO, Rachele	F.		ana ang ang ang ang ang ang ang ang ang	·	Tudacent D.D.Le 157
11. MORIKAWA, Dee		\sim			
12. NISHIMOTO, Scott Y				an a	A Cart of the second state state and the second
13. POEPOE, Mahina		V			
14. TAKENOUCHI, Jenn	a			i - martini - 1865 - 17 davis - 17	
15. ALCOS III, David		\mathbf{V}			
16. WARD, Gene					
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TOTAL (16)	15	1	U	0
The recommendation is:	Adopted	Not Adopte	d		
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					