

Honolulu, Hawaii

FEB 09 2023

RE: S.B. No. 1099

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Public Safety and Intergovernmental and Military Affairs, to which was referred S.B. No. 1099 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Extend the period in which a county may adopt a surcharge on state tax, under certain conditions;
- (2) Authorize the use of the surcharge revenues for affordable and workforce housing infrastructure; and
- (3) Allow the counties to use surcharge revenues for housing infrastructure, including roadways, water, and sewer.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Maui and two members of the Maui County Council. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Maui County is the only county in the State that has not adopted a surcharge on state tax. Additionally, the high cost of living in Maui County often prevents residents from purchasing a home. Your Committee



believes that a surcharge on state tax would provide much-needed revenue for Maui County to address its affordable housing crisis. This measure will generate funding to increase Maui County's ability to support affordable and workplace housing infrastructure by extending the period in which a county may adopt a surcharge on state tax, under certain conditions; authorizing the use of the surcharge revenues for affordable and workforce housing infrastructure; and allowing the counties to use surcharge revenues for housing infrastructure, including roadways, water, and sewer.

As affirmed by the record of votes of the members of your Committee on Public Safety and Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1099 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

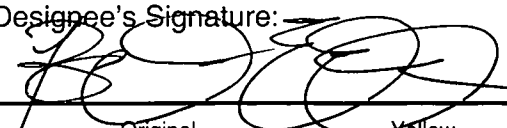
Respectfully submitted on  
behalf of the members of the  
Committee on Public Safety and  
Intergovernmental and Military  
Affairs,

  
\_\_\_\_\_  
GLENN WAKAI, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Public Safety and Intergovernmental and Military Affairs**  
**PSM**

Bill / Resolution No.:* <b>SB1099</b>	Committee Referral: <b>PSM, WAM</b>	Date: <b>2/3/23</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
FUKUNAGA, Carol				✓
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>	<b>∅</b>	<b>∅</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes