

Honolulu, Hawaii

APR 26 2024

RE: S.B. No. 1099
S.D. 1
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1099, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to clarify the authority of the counties to use county surcharge on state tax revenues for housing infrastructure costs for county-supported housing projects.

Your Committee on Conference finds that the cost of infrastructure to support housing is a major barrier to the development of affordable and workforce housing statewide. Your Committee on Conference notes that Maui County is the only county in the State that has not adopted a surcharge on state tax and that allowing surcharges on state tax to be used for housing infrastructure would provide Maui County with the revenues necessary to address its affordable housing crisis. This measure offers



another source of funding for counties to offset the high costs of housing infrastructure, thereby accelerating the development of housing projects at the county level. Your Committee on Conference notes that the phrase "county-supported housing projects" could be ambiguous and, as such, believes that an amendment that clarifies the authority of the counties to use their surcharge on state tax revenues for housing infrastructure costs only for county-appropriated housing infrastructure costs is necessary to ensure that no ambiguity exists.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Clarifying that the authority of the counties to use their surcharge on state tax revenues for housing infrastructure costs are only for county-appropriated housing infrastructure costs;
- (2) Inserting an effective date of July 1, 2024; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1099, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1099, S.D. 1, H.D. 2, C.D. 1.

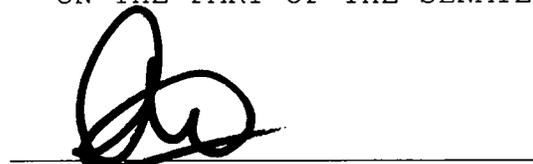
Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



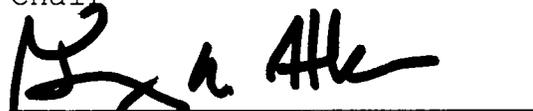
SCOT Z. MATAYOSHI
Co-Chair



ANGUS L.K. MCKELVEY
Chair



KYLE T. YAMASHITA
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TROY N. HASHIMOTO
Co-Chair



