

STAND. COM. REP. NO.

1607

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 118  
S.D. 1  
H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 118, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE INVESTMENT TRUSTS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require, and appropriate funds for, the Department of Business, Economic Development, and Tourism (Department) to study the impact of real estate investment trusts; and
- (2) Require a real estate investment trust to make an affirmative election to be taxed as a real estate investment trust and provide certain data as may be required by the Department for any report mandated by the Legislature.

The Land Use Research Foundation of Hawaii, ILWU Local 142, and the Hawaii State Teachers Association supported this measure. General Growth Properties, Inc.; National Association of Real Estate Investment Trusts; CNL Lifestyle Properties, Inc.; and The MacNaughton Group opposed this measure. The Department of Business, Economic Development, and Tourism; Department of

SB118 HD2 HSCR FIN HMS 2015-3151-1



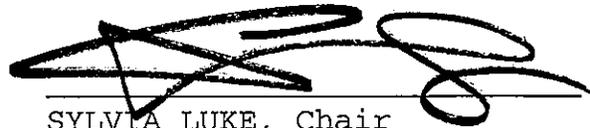
Taxation; Tax Foundation of Hawaii; and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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 S.B. No. 118, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 118, S.D. 1, H.D. 2.

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



SYLVIA LUKE, Chair



