

STAND. COM. REP. NO.

700

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1179
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1179, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to improve the economics of building and operating rental housing in the State by:

- (1) Exempting certain affordable rental housing projects under the Hawaii Housing Finance and Development Corporation from general excise taxes if the project is constructed using labor union general contractors or subcontractors according to a collective bargaining agreement;
- (2) Allowing the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with Chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects; and
- (3) Clarifying the minimum prevailing wage if it is not established through collective bargaining agreements and associated provisions.

HB1179 HD1 HSCR LAB HMS 2017-2410



The Department of Labor and Industrial Relations, Hawaii Housing Finance and Development Corporation, Hawaii Construction Alliance, Pacific Resource Partnership, and Rental Housing Advisory Committee testified in support of this measure. The Department of Taxation supported the intent of this measure. The Hawaii Community Development Authority, Tax Foundation of Hawaii, and General Contractors Association of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


AARON LING JOHANSON, Chair



