

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 1179

H.D. 2

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

Sir:

Your Committee on Finance, 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.



The Hawaii Housing Finance and Development Corporation, Pacific Resource Partnership, Hawaii Construction Alliance, Hawaii Rental Housing Coalition, and Stanford Carr Development, LLC testified in support of this measure. The Department of Labor and Industrial Relations, Department of Taxation, Hawaii Community Development Authority, Tax Foundation of Hawaii, and General Contractors Association of Hawaii provided comments.

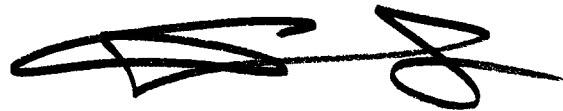
Your Committee encourages all parties involved to share in the cost-cutting process.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (2) Making a technical, nonsubstantive amendment 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 H.B. No. 1179, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1179, H.D. 2.

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



SYLVIA LUKE, Chair



