

Honolulu, Hawaii

APR 05

, 2018

RE: S.B. No. 2922  
S.D. 1  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 2922, S.D. 1, entitled:

"A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE TO INCREASE FUNDING FOR PUBLIC EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to propose amendments to Articles VIII and X of the Constitution of the State of Hawaii (State Constitution) to advance the State's goal of providing a quality education for the children of Hawaii by authorizing the Legislature to statutorily establish a surcharge on visitor accommodations and on residential investment property valued at \$1,000,000 or more, for which the owner does not qualify for a homeowner's exemption to fund public education for Hawaii's children.

The Hawai'i Teacher Standards Board, Hawaii State Teachers Association, Hawaii Public Charter Schools Network, Americans for Democratic Action Hawai'i, Hawai'i Alliance for Progressive Action, Progressive Democrats of Hawai'i, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Hawaii Appleseed Center for Law & Economic Justice, Parents for Public



Schools of Hawai'i, Hui for Excellence in Education, IMUAlliance, Ka Ohana O Na Pua, Civic Education Council, Education Caucus of the Democratic Party of Hawaii, Hawaii Children's Action Network, and numerous individuals testified in support of this measure. The Mayor of the County of Hawai'i; Mayor of the County of Maui; Council Chair of the County of Maui; a Councilmember from the County of Maui; County of Kaua'i; Real Property Assessment Division of the County of Maui; Rental By Owner Awareness Association; Hawai'i Lodging & Tourism Association; Marriott Resorts Hawaii; Aqua-Aston Hospitality, LLC; Trump International Hotel Waikiki; Real Estate Update, Inc.; Maui Hotel & Lodging Association; American Resort Development Association - Hawai'i; Kohala Coast Resort Association; Napili Kai Beach Resort; Highgate Hotels & Resorts Hawaii; Hawai'i Association of REALTORS; Marriott International, Inc.; Highgate Hotels; Waikiki Resort Hotel; and a few individuals opposed this measure. The Department of Budget and Finance, Department of Education, City and County of Honolulu, Special Education Advisory Council, Tax Foundation of Hawaii, Coalition for Equal Taxation, League of Women Voters of Hawaii, and a few individuals provided comments on this measure.

Your Committee has amended this measure by:


- (1) Amending its purpose section to reflect the amended substantive content of the proposed constitutional language;
- (2) Amending language proposed to be added to Section 3 of Article III of the State Constitution to provide that the Legislature may establish, as provided by law, a surcharge on investment real property, rather than providing that the Legislature is not prohibited from establishing a surcharge on residential investment property;
- (3) Amending language proposed to be added to Section 1 of Article X of the State Constitution by specifying that funding of public education shall be determined by the Legislature; provided that revenues derived from a surcharge on investment real property shall be used to support public education and deleting proposed constitutional language that would have:



- (A) Specified that the surcharge the Legislature is authorized to establish applies to visitor accommodations and to residential investment property valued at \$1,000,000 or more for which the owner does not qualify for a homeowner's exemption; and
  - (B) Specified the particular public education purposes for which the proceeds from the surcharge may be used; and
- (4) Amending the question to be printed on the ballot for electoral approval of the proposed constitutional amendment to read: "Shall the legislature be authorized to establish, as provided by law, a surcharge on investment real property to be used to support public education?".

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2922, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

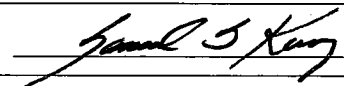
  
JUSTIN H. WOODSON, Chair



State of Hawaii  
 House of Representatives  
 The Twenty-ninth Legislature

HSCR 1887-18

Record of Votes of the Committee on Education

Bill/Resolution No.: SB 2922, SD1	Committee Referral: EDN	Date: April 4, 2018		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDN Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. CREAGAN, Richard P.	✓			
4. HASHEM, Mark J.	✓			
5. ING, Kaniela	✓			
6. LEARMONT, Lei R.	.	✓		
7. McKELVEY, Angus L.K.	✓			
8. OHNO, Takashi	✓			
9. ONISHI, Richard H.K.		✓		
10. QUINLAN, Sean	✓			
11. MATSUMOTO, Lauren Kealohilani	✓			
TOTAL (11)	9	2		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				