

STAND. COM. REP. NO.

2871

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 3138
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 3138 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to encourage the development of affordable housing by removing the limit on costs eligible for exemption from general excise tax for development costs of affordable rental housing certified by the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaii Regional Council of Carpenters; Pacific Resource Partnership; and Schatz Collaborative, LLC. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that under current law, projects certified by the Hawaii Housing Finance and Development Corporation under section 201H-36(a)(5), Hawaii Revised Statutes, are granted general excise tax exemptions limited to contracting costs only. This measure would expand the exemption to cover all costs included in the source provision at section 237-29, Hawaii Revised Statutes, which would include financing, sales, and



leasing costs.

Your Committee notes the testimonies of the Hawaii Regional Council of Carpenters and Pacific Resource Partnership who state that this measure will enable Act 54, Session Laws of Hawaii 2017, as amended by Act 39, Session Laws of Hawaii 2018, to be used in combination with county level incentives such as City and County of Honolulu Ordinance 18-01, which provides fee and property tax waivers for creating affordable units.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3138, S.D. 1, and be referred to your Committee on Ways and Means.

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


STANLEY CHANG, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3138	HOU, WAM	2-13-20		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes