

STAND. COM. REP. NO.

119

Honolulu, Hawaii

, 2021

FEB 10

RE: H.B. No. 605

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 605
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING SAVINGS ACCOUNTS,"

begs leave to report as follows:

The purpose of this measure is to establish a housing savings
account system, headed by the Housing Savings Account Board within
the Department of Budget and Finance, that requires each employer
in the State to offer its employees the opportunity to contribute
to a housing savings account through payroll deduction to be used
for down payments, mortgage payments, rent, and security deposits.

Your Committee received testimony in support of this measure
from Faith Action HousingNOW! and one individual. Your Committee
received comments on this measure from the Department of Budget
and Finance, Tax Foundation of Hawaii, and Hawaii Credit Union
League.

While your Committee recognizes the merits of state programs
aimed at addressing the costs of housing in the State, it also
recognizes that the establishment of a housing savings account
system requires careful assessment of the costs and benefits of
such a program. Your Committee understands the concerns raised in
Committee regarding the costs of staffing and operating such a
system, as well as administrative and compliance considerations.

2021-1311 HB605 HD1 HSCR HMSO



Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have established a housing savings account system and instead requiring the Legislative Reference Bureau to:
 - (A) Conduct a study on the establishment of a housing savings account system that would provide every employee in the State the ability to automatically contribute to a housing savings account through payroll deduction; and
 - (B) Submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2022;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 H.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 605, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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


NADINE K. NAKAMURA, Chair



