

STAND. COM. REP. NO. 11

Honolulu, Hawaii

FEB 05 2015

RE: S.B. No. 971

S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Human Services and Housing, to which was referred S.B. No. 971 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require each rental housing project with a general excise tax exemption to enter into a regulatory agreement with the Hawaii Housing Finance and Development Corporation to ensure the project's continued eligibility for the tax exemption; and
- (2) Establish minimum terms for the agreements depending on the type of project.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Hawai'i Association of REALTORS. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that encouraging private sector investment and construction of rental housing for Hawaii's families is critical. According to the Hawaii Housing Planning Study in 2011, there is an estimated need for over 13,000 rental units by 2016 for households at or below eighty percent of the area median income. Of those needed rental units, nearly seventy-

2015-1147 SSCR SMA.doc



five percent are needed by households at or below fifty percent of the area median income.

Your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 1075, Regular Session of 2015, which ensures that certain eligible housing projects will remain affordable for certain minimum periods in order to be certified for exemption from general excise taxes.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 971, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services and  
Housing,

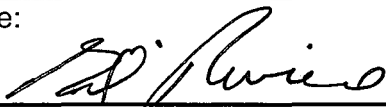
*Suzanne Chun Oakland*

SUZANNE CHUN OAKLAND, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Human Services and Housing**  
**HSH**

Bill / Resolution No.:* <b>SB 971</b>	Committee Referral: <b>HSH, WAM</b>	Date: <b>1/31/15</b>		
<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
CHUN OAKLAND, Suzanne (C)	X			
GREEN, Josh (VC)				X
HARIMOTO, Breene	X			
RIVIERE, Gil	X			
SLOM, Sam	<del>X</del>			X
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"></div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes