STAND. COM. REP. NO. 1222

Honolulu, Hawaii

March 15, 2007

RE: S.B. No. 600

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred S.B. No. 600 entitled:

"A BILL FOR AN ACT RELATING TO LEASEHOLD CONVERSION,"

begs leave to report as follows:

The purpose of this bill is to encourage landowners to convey their fee interests to lessees by providing fee owners of units within a condominium project, cooperative project, or planned unit development with the opportunity to exclude from their taxable income, 100 percent of the capital gains realized from the sale of the leased fee interest to the association of apartment owners or residential cooperative corporation of the leasehold units. This exemption would be available from the 2008 through 2012 taxable years.

The Hawaii Association of Apartment Owners, Monarch Properties, Inc., Hawaii Association of REALTORS, Hawaii Independent Condominium & Cooperative Owners, and Hawaii Legislative Action Committee of the Community Associations Institute testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

SB600 HSCR HSH HMS 2007-3033



STAND. COM. REP. NO. /222
Page 2

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

MAILE SHIMABUKURO, Chair



## State of Hawaii House of Representatives The Twenty-fourth Legislature

## Record of Votes of the Committee on Human Services & Housing

Bill/Resolution No.: SB 600	Date: March 12, 2007			
Committee Referral:  HSH, CPC, FIN	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	□ P	☐ Pass, with amendments		
☐ Hold	Pass, with amendments, for recommittal for further consideration			
HSH Members	Ayes	Ayes (WR)	Nays	Excused
1. SHIMABUKURO, Maile S. L. (C)	<i>/</i> /			
2. RHOADS, Karl (VC)				
3. BELATTI, Della Au	V			
4. BERTRAM, Joe, III	/			
5. CABANILLA, Rida T.R.				
6. GREEN, Josh, M.D.	/			
7. MIZUNO, John				
8. TAKAI, K. Mark	/			
9. TOKIOKA, James Kunane				
10. AWANA, Karen Leinani				
11. WARD, Gene, Ph.D.				
TOTAL	9			2
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)  Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				