

Honolulu, Hawaii

April 1, 2010

RE: S.B. No. 2593
S.D. 1
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2593, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this bill is to ensure that housing projects granted a low- or moderate-income housing general excise tax exemption continue to meet exemption criteria by requiring:

- (1) The Department of Taxation (DOTAX) to conduct periodic reviews of these projects for compliance; and
- (2) The Hawaii Housing Finance and Development Corporation (HHFDC) to establish penalties for noncompliance by rule.

DOTAX opposed this bill. HHFDC, Tax Foundation of Hawaii, and Hawaii Association of REALTORS provided comments.

Your Committee has amended this bill by:

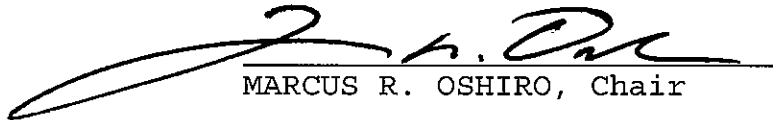
- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and



- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2593, S.D. 1, H.D. 2.

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


MARCUS R. OSHIRO, Chair



