

Honolulu, Hawaii

March 19, 2010

RE: S.B. No. 2594
S.D. 1
H.D. 1

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

Sir:

Your Committee on Housing, to which was referred S.B. No. 2594, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this bill is to help place greater control on the general excise tax exemption for affordable rental housing by, among other things, providing that the general excise tax exemption for certain affordable rental housing shall apply only to qualified state-licensed persons or firms as to the portion of rental income received from households that meet residency and gross annual income requirements.

A concerned individual supported the intent of this bill. Hawaii Housing Finance and Development Corporation; Ford Island Housing, LLC; and The Chamber of Commerce of Hawaii opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Applying the residency requirement to each means of qualifying for the general excise tax exemption;



- (2) Applying the limitation of the exemption only to that portion of income derived from households that meet residency and gross annual income requirements to each means of qualifying for the general excise tax exemption; and
- (3) Making technical, nonsubstantive amendments for 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 S.B. No. 2594, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2594, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



RIDA CABANILLA, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 8526-10

Record of Votes of the Committee on Housing

Bill/Resolution No.: SB 2594, SDI	Committee Referral: HSG, FIN	Date: 3-17-2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. CABANILLA, Rida (C)	✓			
2. CHONG, Pono (VC)	✓			
3. CHANG, Jerry L.			X	
4. COFFMAN, Denny		X		
5. HAR, Sharon E.				✓
6. HERKES, Robert N.		X		
7. ITO, Ken	✓			
8. LEE, Chris	✓			
9. LUKE, Sylvia		X		
10. MORITA, Hermina M.		X		
11. SAGUM, Roland D., III			X	
12. CHING, Corinne W.L.			X	
13. THIELEN, Cynthia				✓
TOTAL (13)	4	4	3	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				