

STAND. COM. REP. NO.

887

Honolulu, Hawaii

MAR 18 2013

RE: H.B. No. 514
H.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred H.B. No. 514, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a state exemption for income earned and obligations issued by nonprofit entities that are determined to be public housing agencies pursuant to federal law and whose income and obligations are declared to be tax exempt by the United States Department of Housing and Urban Development.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and Hawaii Housing Finance and Development Corporation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that Section 11 of the Housing Act of 1937 provides for public housing agencies to issue obligations secured by a variety of United States Department of Housing and Urban Development funds to finance the development of low-income housing projects. It further provides that any such obligations, including interest thereon, that are issued by a public housing agency, and any income derived by the public housing agency from such projects, are exempt from all taxation imposed by the United States. Section 201H-37, Hawaii Revised Statutes, provides that such obligations and income should also be exempt from all taxation imposed by the State.

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Your Committee further finds that this measure is intended to be a housekeeping measure that moves the state tax exemption from income earned and obligations issued by a public housing agency to the appropriate chapter of the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 514, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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


SUZANNE CHUN OAKLAND, Chair



