

STAND. COM. REP. NO.

777

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 1166
S.D. 1

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1166 entitled:

"A BILL FOR AN ACT RELATING TO THE CONVEYANCE TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the amount of the conveyance tax on certain real estate transactions and the portion of the conveyance tax revenues directed toward watershed protection and invasive species control.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Department of Taxation, Office of Hawaiian Affairs, Hawaii Invasive Species Council, Catholic Charities Hawaii, Coordinating Group on Alien Pest Species, Dole Food Company Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of Realtors, Hawaii Catholic Conference, Hawaii Green Growth Initiative, Kauai Watershed Alliance, National Tropical Botanical Garden, Partners In Care, The Nature Conservancy of Hawaii, The Trust for Public Land, and twelve individuals.

Your Committee received written comments in opposition to this measure from The Chamber of Commerce of Hawaii.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

SB1166 SD1 SSCR LRB 13-2002.doc



Your Committee finds that ensuring the State's water supply is essential and that protecting forest watersheds is a cost-effective and efficient way to absorb rainwater and replenish ground water. Watersheds also reduce impacts from climate change by absorbing greenhouse gases. Additionally, forests ensure sustainability of irreplaceable cultural values and natural resources. However, hot and dry conditions, as well as damage caused by invasive species, have led to the loss of half of Hawaii's forests.

Your Committee further finds that protection of the State's watersheds is one of the purposes of the natural area reserve fund. This measure provides an additional source of funding for the natural area reserve fund, to be used for watershed protection and invasive species control.

Your Committee has amended this measure by:

- (1) Changing the amount of the conveyance tax on certain real estate transactions and the portion of the conveyance tax revenues allocated for deposit into the natural area reserve fund to unspecified amounts;
- (2) Clarifying that one of the authorized uses of the portion of the conveyance tax revenues paid into the natural area reserve fund is to support projects undertaken in accordance with departmental watershed management plans to protect and restore the health and functionality of watersheds in the State;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1166, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1166, S.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1166	Committee Referral: WTL/ENE, WAM	Date: 2-28-13		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam			✓	
TOTAL	11	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:right; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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*Only one measure per Record of Votes