

STAND. COM. REP. NO. 7

Honolulu, Hawaii

FEB 0 1 2013

RE: S.B. No. 86

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 S.B. No. 86 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 move the state income tax and obligations exemption for public housing agencies from the laws governing the Hawaii Housing Finance and Development Corporation to the laws governing the Hawaii Public Housing Authority and correct a reference to a section of the United States Housing Act of 1937.

Your Committee received testimony in support of this measure from the Department of Human Services and the Hawaii Public Housing Authority. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the United States Housing Act of 1937, as amended, 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. The Housing Act 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. Current state laws provide that such obligations and income should also be exempt from all taxation imposed by the State. Your Committee further finds that this measure corrects the misplacement of the statute providing

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the exemption, which was caused when the Hawaii Housing Finance and Development Corporation and the Hawaii Public Housing Authority bifurcated on July 5, 2005.

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 S.B. No. 86 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



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

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|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* SB 86 | Committee Referral: HMS, WAM | Date: 1/28/13 | | |
| <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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| CHUN OAKLAND, Suzanne (C) | ✓ | | | |
| GREEN, Josh (VC) | ✓ | | | |
| KIDANI, Michelle N. | | | | ✓ |
| TANIGUCHI, Brian T. | ✓ | | | |
| SLOM, Sam | ✓ | | | |
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| TOTAL | 4 | 0 | 0 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <div style="text-align:center; font-size: 2em; font-family: cursive;">  </div> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes