

STAND. COM. REP. NO.

592

Honolulu, Hawaii

February 15, 2013

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

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 514, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to effectively transfer the state income tax and obligations exemption for public housing agencies from the chapter of Hawaii Revised Statutes relating to the Hawaii Housing Finance and Development Corporation to the chapter relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority submitted testimony in support of this measure. The Hawaii Housing Finance and Development Corporation and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that this measure is intended to be a housekeeping measure that moves the state tax exemption for income earned and obligations issued by a public housing agency to the appropriate chapter of the Hawaii Revised Statutes. However, your Committee is concerned that repealing the exemption in section 201H-37, Hawaii Revised Statutes, relating to the Hawaii Housing Finance and Development Corporation, may have the unintended effect of restricting any future private for-profit or nonprofit organization from producing low-income housing in the community.



Accordingly, your Committee has amended this measure by:

- (1) Deleting Section 2, which would have repealed the tax exemption in section 201H-37, Hawaii Revised Statutes, and making necessary conforming technical amendments; and
- (2) Changing the effective date to July 1, 2030, to encourage further discussion on this matter.

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 H.B. No. 514, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 514, H.D. 2.

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



SYLVIA LUKE, Chair

State of Hawaii
House of Representatives
The Twenty-seventh Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 514 HD1	Committee Referral: HSG, FIN	Date: 2/14/13		
<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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	/			
2. NISHIMOTO, Scott Y. (VC)	/			
3. JOHANSON, Aaron Ling (VC)	/			
4. CULLEN, Ty J.K.				/
5. HASHEM, Mark J.	/			
6. ING, Kaniela	/			
7. JORDAN, Jo	/			
8. KOBAYASHI, Bertrand	/			
9. LOWEN, Nicole E.	/			
10. MORIKAWA, Dee	/			
11. ONISHI, Richard H.K.	/			
12. TAKAYAMA, Gregg	/			
13. TOKIOKA, James Kunane	/			/
14. WOODSON, Justin H.				/
15. YAMASHITA, Kyle T.	/			
16. FUKUMOTO, Beth	/			
17. WARD, Gene	/			
TOTAL (17)	15			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
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