

STAND. COM. REP. NO.

422

Honolulu, Hawaii

February 14, 2013

RE: H.B. No. 935
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 Housing, to which was referred H.B. No. 935, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to protect Hawaii's forest watersheds by increasing the conveyance tax on certain real estate transactions and reallocating the distribution of conveyance tax revenues to the Natural Area Reserve Fund for watershed protection and invasive species control and to the Rental Housing Trust Fund.

The Department of Land and Natural Resources; Department of Taxation; Office of Hawaiian Affairs; Hawai'i Appleseed Center for Law and Economic Justice; Hawaii Green Growth Initiative; Hawai'i Invasive Species Council; Housing Hawaii; The Nature Conservancy of Hawaii; Partners in Care; Sierra Club, Hawaii Chapter; Coordinating Group on Alien Pest Species; and numerous concerned individuals supported this measure. The Hawaii Public Housing Authority and Catholic Charities Hawaii supported this measure, with suggested amendments. Hawaii Housing Finance and Development Corporation supported the intent of this measure. The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Hawai'i Association of REALTORS®, NAIOP Hawaii, Land Use Research Foundation of Hawaii, and two concerned individuals opposed this measure. The Tax Foundation of Hawaii provided comments.

HB935 HD2 HSCR HSG HMS 2013-2020



Your Committee respectfully requests that the Committee on Finance consider retaining the amount of the conveyance tax that is allocated to the Rental Housing Trust Fund at 50 percent in order to create additional affordable rental units for Hawaii's people.

Your Committee has amended this measure by:

- (1) Specifying that fifty percent of conveyance tax proceeds are to be allocated to the Rental Housing Trust Fund;
- (2) Establishing a repeal date of June 30, 2023; 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 H.B. No. 935, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 935, H.D. 2.

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


RIDA T.R. CABANILLA, Chair



