

Honolulu, Hawaii  
March 4, 2016

RE: H.B. No. 1735  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1735 entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY TAXES,"

begs leave to report as follows:

The purpose of this measure is to require the Economic Research Organization at the University of Hawaii to study the effects of Hawaii's low property tax rates and to submit a report to the Legislature prior to the 2017 Regular Session on the findings of the study.

The Hawaii State Teachers Association testified in support of this measure. The University of Hawaii, Tax Foundation of Hawaii, and an individual commented on this measure.

Your Committee has amended this measure by:

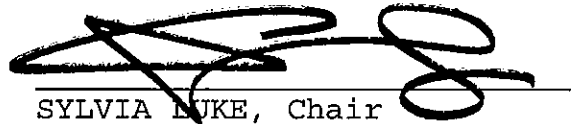
- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT), rather than the Economic Research Organization at the University of Hawaii, to conduct the study and report to the Legislature;
- (2) Requiring that the effect of low property tax rates in Hawaii on funding for public education be included in the report to the Legislature; and



- (3) Changing the expending agency for the appropriation to DBEDT.

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. 1735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1735, H.D. 1, and be placed on the calendar for Third Reading.

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

  
SYLVIA LUKE, Chair



