

STAND. COM. REP. NO.

173

Honolulu, Hawaii

February 10, 2017

RE: H.B. No. 1179

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1179 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to improve the economics of building and operating rental housing in the State by:

- (1) Exempting certain affordable rental housing projects under the Hawaii Housing Finance and Development Corporation (HHFDC) from general excise taxes if the project is constructed using labor union general contractors or subcontractors according to a collective bargaining agreement; and
- (2) Providing that the terms of the collective bargaining agreement and related provisions shall be the prevailing wages and terms serving as the basis of compliance with Chapter 104, Hawaii Revised Statutes, for work on the project.

HHFDC, Hawaii Kai Homeless Task Force, Pacific Resource Partnership, Hawaii Construction Alliance, FACE Housing Task Force, and The Housing Now! Coalition testified in support of this measure. The Department of Taxation, Department of Labor and Industrial Relations, and Tax Foundation of Hawaii commented on this measure.

HB1179 HD1 HSCR HSG HMS 2017-1918



Your Committee has amended this measure by:

- (1) Specifying that except for the special prevailing wage established under the measure, the prevailing wages shall be not less than the wages payable under federal law to corresponding classes of laborers and mechanics employed on public works projects in the State that are under contract or agreement with the federal government;
- (2) Changing its effective date to take effect upon a date to be determined, to facilitate further discussion; 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. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1179, H.D. 1, and be referred to your Committee on Labor & Public Employment.

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



TOM BROWER, Chair



