

Honolulu, Hawaii

APR 06 2017

RE: H.B. No. 1179
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred H.B. No. 1179, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Expand the types of rental housing projects that may be exempt from general excise taxes; and
- (2) Allow the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of the Mayor of the County of Hawai'i, Hawaii Housing Finance and Development Corporation, Land Use Research Foundation of Hawaii, Hawai'i Construction Alliance, and Pacific Resource Partnership. Your Committees received comments on this measure from the Department of Taxation, Hawaii Community Development Authority, General Contractors Association of Hawaii, and Tax Foundation of Hawaii.



Your Committees find that the State is experiencing a critical shortage of affordable housing. Your Committees further find that private sector construction and development entities have taken steps to improve the economics of building and operating rental housing in Hawaii. This measure supports private development entities that provide affordable housing units by expanding the types of projects that may be exempt from general excise taxes.

Your Committees have amended this measure by:

- (1) Replacing "special prevailing wage" with "section 201H-36(a)(5) prevailing wages";
- (2) Specifying that prevailing wages are prevailing wages under contracts pursuant to section 201H-36(a)(5), Hawaii Revised Statutes, ("section 201H-36(a)(5) prevailing wages"), rather than requiring that the terms of the collective bargaining agreement be deemed the prevailing wages;
- (3) Stipulating that the qualified person or firm approved and certified for exemption from general excise taxes has not received other financing from any governmental contracting agency, including the Hawaii Housing Finance and Development Corporation, in order for the terms of the section 201H-36(a)(5) prevailing wages to be deemed the prevailing wages serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for work on the project;
- (4) Deleting the stipulation that the collective bargaining agreement be properly submitted to the Director of Labor and Industrial Relations under section 104-34, Hawaii Revised Statutes, in order for the terms of the section 201H-36(a)(5) prevailing wages to be deemed the prevailing wages serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for work on the project; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1179, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1179, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Ways and Means,



JILL N. TOKUDA, Chair



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

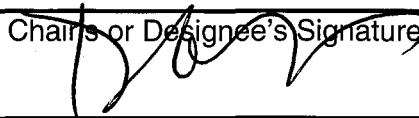
Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 1179, HD2, SD1	Committee Referral: HOU, JDL/WAM	Date: 3/30/17		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
THIELEN, Laura H.		✓		
TOTAL	4	1	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 1179, HD2, SD1	Committee Referral: HOU, SDL/WAM	Date: 3/30/17		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUE, Lorraine R.	/			
KAHELE, Kaiali'i				/
RIVIERE, Gil	/			/
SHIMABUKURO, Maile S.L.				/
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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