

Honolulu, Hawaii

FEB 02 2017

RE: S.B. No. 581

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

Sir:

Your Committee on Housing, to which was referred S.B. No. 581  
entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Remove the cap on the amount of conveyance taxes collected that may be paid into the rental housing revolving fund; and
- (2) Increase the percentage of conveyance taxes collected that shall be paid into the rental housing revolving fund.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, EAH Housing, Hawai'i Association of REALTORS, IMUAlliance, Housing Now, and three individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Chamber of Commerce Hawaii, and Building Industry Association of Hawaii.

Your Committee finds that a great need exists in the State for affordable housing, including affordable rental housing. The rental housing revolving fund provides loans to projects that set aside rental units affordable to extremely low- and very low-income families, which can fill financial gaps to develop affordable rental housing projects. Removing the cap on the



amount of conveyance taxes collected that may be paid into the rental housing revolving fund and increasing the percentage of conveyance taxes collected that are paid into the revolving fund will increase the monies available for loans to qualifying projects and help alleviate the need for rental housing in the State.

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 S.B. No. 581 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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

*Will Espero*


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WILL ESPERO, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>SB 581</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>1/31/17</b>		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)	✓			
KAHELE, Kaiali'i				✓
KEITH-AGARAN, Gilbert S.C.	✓			
NISHIHARA, Clarence K.				✓
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes