

Honolulu, Hawaii

February 16, 2018

RE: H.B. No. 2747

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2747 entitled:

"A BILL FOR AN ACT RELATING TO HOMEOWNERSHIP,"

begs leave to report as follows:

The purpose of this measure is to encourage first-time homebuyers to save for the purchase of a home by changing the aggregate amount that can be contributed to an individual housing account to an unspecified amount and changing the penalty for the failure of an individual housing account trustee to file a required report to an unspecified amount.

The Hawaii Association of REALTORS and Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii supported this measure. The Department of Taxation and Office of Hawaiian Affairs offered comments for this measure.

Your Committee finds that the down payment on the purchase of a home is one of the biggest hurdles to homeownership in Hawaii.

Your Committee has amended this measure by:

- (1) Replacing the annual limitation on contributions to individual housing accounts for individuals and a



married couple filing jointly with an unspecified amount;

- (2) Allowing parents, siblings, and grandparents to make contributions to a taxpayer's individual housing accounts;
- (3) Authorizing the maintenance of individual housing accounts in community development financial institutions;
- (4) Replacing the number of taxable months in which contributions may be made to an individual housing account with an unspecified number of taxable months;
- (5) Changing the effective date to January 1, 2050, to promote further discussion; and
- (6) Making technical, non-substantive changes 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. 2747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2747, H.D. 1, and be referred to your Committee on Finance.

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



TOM BROWER, Chair



