

Honolulu, Hawaii

March 2, 2018

RE: H.B. No. 2747
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 2747, H.D. 1, 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:

- (1) Changing the annual limitation on contributions to individual housing accounts for individuals and married couples filing jointly to 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) Changing the number of taxable months in which contributions may be made to an individual housing account to an unspecified number of taxable months; and



- (5) Changing the penalty for the failure of an individual housing account trustee to file a required report to an unspecified amount.

The Hawai'i 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 provided comments.

Your Committee has amended this measure by:

- (1) Making changes to the annual contribution amount, aggregate contribution amount, and number of taxable months applicable to individual housing accounts established after December 31, 2018;
- (2) Specifying provisions applicable to individual housing accounts established after December 31, 2018;
- (3) Requiring the trustee of the individual housing account to verify that the individual has completed homebuyer education;
- (4) Deleting references to "immediate family member"; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2747, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2747, H.D. 2.

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


SYLVIA LUKE, Chair



