STAND. COM. REP. NO. 667

Honolulu, Hawaii

February 17

, 2017

RE: H.B. No. 487

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. 487 entitled:

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

begs leave to report as follows:

The purpose of this measure is to remove the dollar amount cap on conveyance tax proceeds that are paid into the Rental Housing Revolving Fund.

The Hawaii Association of Realtors testified in support of this measure. A concerned individual testified in opposition to this measure. The Hawaii Housing Finance and Development Corporation, Department of Budget and Finance, The Chamber of Commerce Hawaii, Building Industry Association of Hawaii, and Tax Foundation of Hawaii provided comments.

Your Committee notes the concerns raised by the Tax Foundation of Hawaii that continual earmarking of funds for various programs and purposes allows the expenses from these funds to avoid legislative scrutiny, thus making it difficult to determine whether a fund is over- or under-funded. Consequently, the effectiveness of programs funded becomes harder to ascertain.

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Your Committee has amended this measure by changing its effective date to take effect upon a date to be determined to facilitate further discussion.

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. 487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 487, 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

State of Hawaii House of Representatives The Twenty-ninth Legislature

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Record of Votes of the Committee on Housing

Bill/Resolution No.:	Committee Referral: Date:			
HB 487	HSG, FIN 2/16/17			7
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: θ Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	V			
2. NAKAMURA, Nadine K. (VC)				
3. AQUINO, Henry J.C.				
4. HASHEM, Mark J.				
5. QUINLAN, Sean				
6. SAN BUENAVENTURA, Joy	A. 🗸			
7. McDERMOTT, Bob	V			
	-			
TOTAL (7)	7			
The recommendation is: 9 Adopted 1f joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: [[Martin]] Martin]				
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