

STAND. COM. REP. NO. 1370

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 1105
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 1105, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to improve the economics of building and operating rental housing in the State by:

- (1) Expanding the types of rental housing projects that can be exempt from general excise taxes; and
- (2) Allowing 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.

The Department of Labor and Industrial Relations supported the intent of this measure. The Hawaii Housing Finance and Development Corporation, Office of the Mayor of the County of Hawaii, Hawaii Construction Alliance, Pacific Resource Partnership, and Hawaii Rental Housing Coalition supported this measure. The Department of Taxation, Hawaii Community Development

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Authority, Tax Foundation of Hawaii, and General Contractors Association of Hawaii provided comments.

Your Committee has amended this measure by adopting the proposed amendments provided by the Department of Labor and Industrial Relations, that specifically:

- (1) Clarify the references to the prevailing wage for certain affordable rental housing projects that are exempt from general excise taxes; and
- (2) Specify that the terms of prevailing wages approved by the Director of Labor and Industrial Relations for the laborers and mechanics for certain affordable rental housing projects developed under section 201H-36(a), Hawaii Revised Statutes, shall be used to determine compliance with chapter 104, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 1105, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


AARON DING JOHANSON, Chair



