

Honolulu, Hawaii

MAR 22 , 2018

RE: S.B. No. 2416  
S.D. 2  
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 S.B. No. 2416, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend the conveyance tax statute by:

- (1) Amending the conveyance tax rates for properties valued at \$2,000,000 or more;
- (2) Exempting real property used for the purpose of affordable housing; and
- (3) Removing the cap on conveyance tax allocations to the Rental Housing Revolving Fund.

Catholic Charities Hawai'i, Hawaii Habitat for Humanity Association, Young Progressives Demanding Action, Housing Now, and an individual supported this measure. Hawai'i Association of REALTORS, Kohala Coast Resort Association, Land Use Research Foundation of Hawaii, NAIOP Hawaii, and a few individuals opposed this measure. The Hawaii Housing Finance and Development Corporation, Department of Taxation, Office of Hawaiian Affairs,



Hawaiian Community Assets, IMUAlliance, and Tax Foundation of Hawaii offered comments for this measure.

Your Committee notes the testimony of IMUAlliance urging the increase of the conveyance tax for properties valued at \$1,000,000 or more, and highlighting that the widening wealth gap in Hawaii has made securing rental apartments financially difficult and homeownership out-of-reach for many residents.

Your Committee has amended this measure by narrowing the affordable housing exemption to include only real property subject to a government assistance program and used for the provision of affordable housing for qualified persons within 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. 2416, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 2, 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



