

Honolulu, Hawaii

FEB 08 2018

RE: S.B. No. 2416
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B.
No. 2416 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the conveyance rates for certain conveyance tax categories; and
- (2) Repeal the statutory monetary cap on the disposition of conveyance taxes dedicated for deposit into the rental housing revolving fund for the financing of affordable rental housing developments.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, Americans for Democratic Action Hawai'i, IMUAlliance, Hawaii Habitat for Humanity Association, and two individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS. Your Committee received comments on this measure from the Department of Taxation, Hawaii Housing Finance and Development Corporation, and Tax Foundation of Hawaii.

Your Committee finds that existing law dedicates a certain percentage or monetary amount of the conveyance taxes collected,



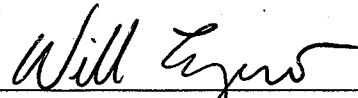
whichever is lesser, for deposit into the rental housing revolving fund. Monies in this fund are used to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. By increasing certain conveyance tax rates and repealing the statutory monetary cap on the disposition of conveyance tax dedicated for deposit into the rental housing revolving fund, this measure allocates additional monies for rental housing finance and development in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2018, to January 1, 2019, to allow sufficient time for the Department of Taxation to update the relevant forms and instructions to implement the conveyance tax rate changes under certain categories; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2416, S.D. 1, and be referred to your Committee on Ways and Means.

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



WILL ESPERO, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* <i>SB 2416</i>	Committee Referral: <i>HOU, WAM</i>	Date: <i>1/30/18</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)	✓			
GREEN, Josh	✓			
KAHELE, Kaiali'i	✓			
NISHIHARA, Clarence K.				✓
TOTAL	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Breene Hart</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes