

STAND. COM. REP. NO.

2900

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 2757
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2757, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to lower the costs of developing and operating affordable housing.

Specifically, this measure:

- (1) Extends the exemption from the general excise tax applicable to certain affordable rental housing projects by an additional four years;
- (2) Removes the cap on the tax exemption; and
- (3) Prohibits project owners who received the tax exemption from refusing to lease a unit in the project to a qualified applicant on the basis that the applicant holds a voucher or certificate of eligibility under section 8 of the United States Housing Act.

Your Committee received written comments in support of this measure from the Office of the Governor; Department of Taxation; Department of Business, Economic Development, and Tourism; Hawaii



Housing Finance and Development Corporation; Hawaii Public Housing Authority; and Hawaii Construction Alliance.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs; Tax Foundation of Hawaii; and General Contractors Association of Hawaii.

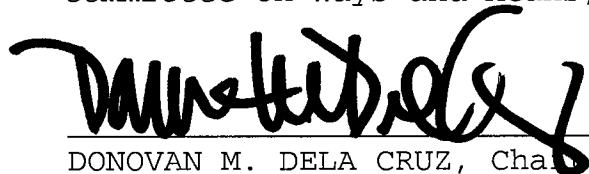
Your Committee finds that the tax exemption provided by this measure will assist in addressing Hawaii's current critical shortage of affordable housing and the need for sixty-six thousand additional housing units by the year 2025.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2757, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2757, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2757, SD 1	Committee Referral: HOU, WAM	Date: 2/28/18		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
TOTAL	11			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes