

SB 255

Measure Title: RELATING TO THE CONVEYANCE TAX.

Report Title: Real Estate Conveyance Tax; Rate; Disposition

Description: Increases the rate of real estate conveyance tax for properties with a value of at least \$2,000,000. Amends the calculation for the amount of conveyance taxes to be deposited into the rental housing revolving fund.

Companion:

Package: None

Current Referral: HOU, WAM

Introducer(s): ESPERO, RUDERMAN, Baker, Galuteria, Green, Ihara, Kidani, Nishihara

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

January 31, 2016 at 2:45 p.m.
State Capitol, Room 225

In consideration of
S.B. 255
RELATING TO THE CONVEYANCE TAX.

The HHFDC ***supports the intent*** of S.B. 255, but has concerns regarding the significant conveyance tax rate increases that are proposed.

We note that these conveyance tax increases will also raise the cost of acquisition and rehabilitation of affordable housing. Over just the last five years, HHFDC provided financing assistance to acquire 11 projects totaling 1,021 affordable rental units.

HHFDC supports the removal of the cap on the existing conveyance tax allocation of the Rental Housing Revolving Fund (RHRF) as long as it does not replace priorities requested in the Executive Budget.

The RHRF provides loans to projects that set aside rental units affordable to extremely and very low-income families. The RHRF loans fill the financing gap to develop an affordable rental housing project. Since its inception, RHRF awards have been made to 79 affordable rental projects comprising a total of 6,232 units statewide.

In Fiscal Year 2016, the RHRF received approximately \$33,056,876 in conveyance tax revenues, which we anticipate being able to fully utilize to make awards to qualified projects during our 2017 competitive funding rounds.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Will Espero, Chair
and Members of the Senate Committee on Housing

Date: Tuesday, January 31, 2017
Time: 2:45 P.M.
Place: Conference Room 225, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 255, Relating to the Conveyance Tax

The Department of Taxation (Department) appreciates the intent of S.B. 255 and provides the following comments for your consideration.

Section 1 of S.B. 255 increases the conveyance tax rate for properties with a value of at least \$2,000,000 as follows:

Value of Property	Proposed Rate	Current Rate
\$2,000,000 less than \$4,000,000	\$1.50 per \$100	\$.50 per \$100
\$4,000,000 less than \$6,000,000	\$2.50 per \$100	\$.70 per \$100
\$6,000,000 less than \$10,000,000	\$3.50 per \$100	\$.90 per \$100
\$10,000,000 or greater	\$4.50 per \$100	\$1.00 per \$100

Section 2 of S.B. 255 amends the calculation of the amount of conveyance tax revenues deposited into the rental housing revolving fund. The bill would change the allocation to simply 50% of the conveyance tax collected. Currently the allocation is 50% of the conveyance tax collected, but is capped at \$38,000,000 per year.

The Department is able to administer the changes proposed by this bill. The Department requests the effective date of the tax rate changes made by section 1 of the bill be changed to January 1, 2018 to allow the Department time to update the relevant forms and instructions.

Thank you for the opportunity to provide comments.



SB255
RELATING TO THE PUBLIC LAND DEVELOPMENT CORPORATION
Senate Committee on Housing

January 31, 2017

2:45 p.m.

Room 225

The Administration of the Office of Hawaiian Affairs (OHA) will recommend that the Board of Trustees **SUPPORT** SB255, which will likely provide substantial and much-needed housing relief to Native Hawaiians and other residents of Hawai'i.

This bill will help provide much-needed housing relief for the state's current affordable housing crisis. It has become abundantly clear that our islands' residents have a dire and growing need for affordable housing opportunities: the City and County of Honolulu alone has estimated a current demand for 24,000 new housing units, 75% or 18,000 of which must be affordable to those making 80% of the area median income.¹ By increasing conveyance tax revenues from higher-end real estate transfers, and allowing a substantial portion of these additional revenues to be committed to the rental housing revolving fund, this measure may significantly increase grant and loan opportunities for affordable rental housing development projects. Such projects may provide a critical level of relief to the state's affordable housing crisis.

The Native Hawaiian community may particularly benefit from the bill. Native Hawaiians are particularly reliant on the rental housing market, as research shows that Native Hawaiians are less likely to own a home, and have homeownership rates lower than the county average.² Native Hawaiian renters also have a particular need for affordable rental units, as more than half of Native Hawaiian renters, many of whom already live in overcrowded situations³ to reduce costs, live in homes they are struggling

¹ See HOUSING OAHU: AFFORDABLE HOUSING PLAN (2015), available at https://www.honolulu.gov/rep/site/ohou/ohou_docs/Housing_Strategy_Draft_9-8-15.pdf.

² In 2014, the Native Hawaiian homeownership rate was 52.9% compared to the state average rate of 56.7%. DHHL provides about 22.1% of owner-occupied housing units among Native Hawaiians. Therefore the Native Hawaiian homeownership rate for non-DHHL properties is only 30.8%. See OFFICE OF HAWAIIAN AFFAIRS, NATIVE HAWAIIAN HOMEOWNERSHIP HO'OKAHUA WAIWAI FACT SHEET VOL.2016, NO. 1, page 10, available at <http://www.oha.org/wp-content/uploads/NH-Homeownership-Fact-Sheet-2016.pdf>

³ In 2013, the average size of a Native Hawaiian family was 4.04, larger than the state average. See OFFICE OF HAWAIIAN AFFAIRS, INCOME INEQUALITY AND NATIVE HAWAIIAN COMMUNITIES IN THE WAKE OF THE GREAT RECESSION: 2005 TO 2013 (2014), page 5, available at <http://www.oha.org/wp-content/uploads/2014/05/Income-Inequality-and-Native-Hawaiian-Communities-in-the-Wake-of-the-Great-Recession-2005-2013.pdf>

to afford.⁴ Native Hawaiians may therefore be disproportionately impacted by the lack of affordable rental housing opportunities in the state. By generating increased revenues to facilitate the development of affordable rental housing units, this measure may directly address the particular housing needs of the Native Hawaiian community.

As a final note, OHA notes that this bill's removal of the \$38 million cap on conveyance tax contributions to the rental housing revolving fund may theoretically result in less conveyance tax funds for the state general fund. However, OHA believes that the robust luxury and high-end real estate market,⁵ coupled with the increase in progressive conveyance tax rates for properties valued at \$2 million or more, will likely result in an increase in both general fund and revolving fund revenues. Should impacts to the general fund remain a concern, OHA suggests considering provisions limiting additional rental housing revolving fund contributions above the current \$38 million cap, to only those conveyance tax revenues generated from this measure's proposed rate increases.

Therefore, OHA urges the Committee to **PASS** SB255. Mahalo for the opportunity to testify on this matter.

⁴ See OFFICE OF HAWAIIAN AFFAIRS, RENTERS INDICATOR SHEET 2015 (2015) available at <http://www.oha.org/wp-content/uploads/Hookahua-Waiwai-Indicator-Sheet.-Renter.-2015.pdf>

⁵ See, e.g., Katie Murar, *O'ahu's luxury real estate market strong*, PACIFIC BUSINESS NEWS, December 11, 2016 available at <http://www.bizjournals.com/pacific/news/2016/12/11/oahus-ultra-luxury-real-estate-market-strong.html>.

Marlene Uesugi

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 30, 2017 1:45 PM
To: HOU Testimony
Cc: darakawa@lurf.org
Subject: Submitted testimony for SB255 on Jan 31, 2017 14:45PM
Attachments: 170130 SB 255 - TAX - Convey Tax Inc for \$2M+ Properties (HOU) (wmy).pdf

SB255

Submitted on: 1/30/2017

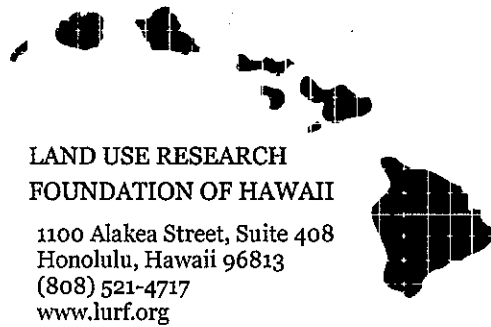
Testimony for HOU on Jan 31, 2017 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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January 30, 2017

Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair
Senate Committee on Housing

Comments and Concerns in Opposition to SB 255, Relating to Real Estate Conveyance Tax; Rate; Disposition.

Tuesday, January 31, 2017, 2:45 p.m., in Conference Room 225

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF **opposes SB 255**, which proposes an increase of real estate conveyance tax for properties with a value of at least \$2,000,000.

SB 255. This proposed measure fails to provide any explanation or reason to justify the increased assessment of conveyance taxes against a specifically identified, exclusive group of property owners.

LURF's Position.

1. The Hawaii Conveyance Tax was Never Intended to be, and Should Not Operate as a Revenue-Generating Tax.

The original and sole intent underlying HRS Chapter 247 (Conveyance Tax) was explicitly to cover the administrative costs incurred by DoTax to collect and assess informational data, including recordation of real estate transactions as performed by the Bureau of Conveyances. As such, use of conveyance tax revenue should be strictly limited to those purposes identified in the original Act. There is no indication in this case, however, that the conveyance tax increase proposed by this measure, which is targeted against a specific group of taxpayers, is necessary for those uses for which conveyance taxes were originally contemplated.

2. Measures Which Attempt to Utilize the State Conveyance Tax as a Revenue Generating Tax Will Likely Cause Unintended Negative Consequences.

a. Hawaii's large *kama'aina* landowners will likely suffer hardships.

These types of proposed bills may cause hardships for local landowners who may be transferring large properties for agricultural farms, housing developments, environmental programs, or other developments that would serve the community and create needed employment.

b. Such measures would create significant disincentive for business in Hawaii.

At a time when the State is attempting to encourage business expansion in, and attract business operations to Hawaii, measures implemented to utilize the State conveyance tax as a revenue generating tax would create a disincentive, and will have a substantial negative impact on persuading new and existing businesses to open or expand in Hawaii, or to relocate their operations to this State. The proposed additional cost of doing business in Hawaii would certainly appear to negatively outweigh any positive revenue impact resulting from the imposition of conveyance taxes pursuant to these types of measures.

c. This type of legislation would drive up the cost of lands for agricultural production, affordable and market homes, and commercial development.

The imposition of the conveyance tax on transfers which affect **agricultural lands** will be passed on to farmers and other agricultural operators, making it even harder for agriculture to survive in Hawaii; the proposed imposition of the tax on transfers which affect **land intended for housing developments** will be passed on to home buyers and will thus increase the price of homes and exacerbate the affordable housing problem in Hawaii; and the proposed imposition of the conveyance tax onto transfers which affect **commercial properties** will also be passed on to small businesses, creating yet another substantial financial burden on them.

Conclusion.

Given the incontrovertible, clear and express intent of Hawaii's conveyance tax law (HRS Chapter 247) which is to use State conveyance tax revenue to specifically cover administrative costs incurred by DoTax to collect and assess informational data, any assessment or use of State conveyance tax revenue must be justified for that limited purpose as set out in the original Act. The unwarranted assessment of conveyance tax revenue for any other purposes, especially if targeted toward an arbitrary group of taxpayers, would clearly lend itself to scrutiny and legal challenge.

In addition, the economic impacts and consequences of SB 255 may likely be detrimental on many levels, and there is significant concern that proposed measures such as this, which attempt to utilize the conveyance tax as a revenue generating tax will likely cause unintended negative consequences which would be detrimental to the State.

Given the above, LURF must respectfully **oppose** this bill and requests that it be held in Committee.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Tax Hike on Properties Above \$2M

BILL NUMBER: SB 255

INTRODUCED BY: ESPERO, RUDERMAN, Baker, Galuteria, Green, Ihara, Kidani, Nishihara

EXECUTIVE SUMMARY: On real property valued at \$2 million or more, the conveyance tax is at least tripled and can go up to 4.5X, depending upon the valuation and category of the property.

BRIEF SUMMARY: Amends section 247-2, HRS, to raise the conveyance tax rates as follows:

For a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption on real property tax:

Minimum Property Value	Current Tax (per \$100 of consideration)	New Tax (per \$100 of consideration)
\$2,000,000	\$0.60	\$2.00
\$4,000,000	\$0.85	\$3.00
\$6,000,000	\$1.10	\$4.00
\$10,000,000	\$1.25	\$5.00

For all other real property:

Minimum Property Value	Current Tax (per \$100 of consideration)	New Tax (per \$100 of consideration)
\$2,000,000	\$0.50	\$1.50
\$4,000,000	\$0.70	\$2.50
\$6,000,000	\$0.90	\$3.50
\$10,000,000	\$1.00	\$4.50

Amends section 247-7, HRS, to adjust the earmark of 50% of the tax to the rental housing revolving fund by repealing the current \$38 million ceiling.

EFFECTIVE DATE: July 1, 2017.

STAFF COMMENTS: The conveyance tax was enacted by the 1966 legislature after the repeal of the federal law requiring stamps for transfers of real property. It was enacted for the sole purpose of providing the department of taxation (which at the time also administered the real property tax) with additional data for the determination of market value of properties transferred. This information was also to assist the department in establishing real property assessed values

and at that time the department stated that the conveyance tax was not intended to be a revenue raising device.

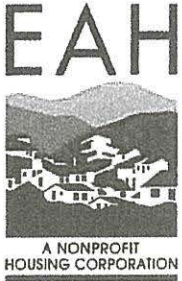
Prior to 1993, the conveyance tax was imposed at the rate of 5 cents per \$100 of actual and full consideration paid for a transfer of property. At the time all revenues from the tax went to the general fund. The legislature by Act 195, SLH 1993, increased the conveyance tax to 10 cents per \$100 and earmarked 25% of the tax to the rental housing trust fund and another 25% to the natural area reserve fund. As a result of legislation in 2005 and in 2009, the conveyance tax rates were substantially increased and bifurcated between nonowner-occupied residential properties and all other properties. Tax brackets were based on the amount of the value transferred. Until 2005, 50% of the receipts went into the general fund and the other half was split with the affordable rental housing program and the natural area reserve program. Beginning in 2005, another 10% was taken for the land conservation fund. In 2009, legislators reduced the amount of conveyance tax revenues earmarked to the rental housing trust fund from 30% to 25% until June 30, 2012 in an effort to generate additional revenues for the state general fund. Act 164, SLH 2014, increased the earmark to 50% as of July 1, 2014, and Act 84, SLH 2015, imposed the \$38 million cap on the earmark.

This bill raises the conveyance tax by a dramatic amount, in percentage terms, to feed the rental housing revolving fund.

The first question lawmakers need to ask is which taxpayers are going to be impacted by these hikes. Although the intent may be to soak the rich fat cats, the increases will affect developments of multi-unit property, including affordable housing being developed. It may also affect rentals themselves because leases of more than five years are subject to the conveyance tax, using the present discounted value of the lease stream as a proxy for the property's value.

Next, the earmark deserves scrutiny. As with any earmarking of revenues, the legislature will be preapproving each of the programs fed by the fund into which the tax monies are diverted, expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether the fund has too little or too much revenue.

If the legislature deems the programs and purposes funded by this special fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers could then evaluate the real or actual needs of each program.



January 30, 2017

Hawaii State Senate
Committee on Housing
Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Hearing: January 31, 2017

Time: 2:45 PM.

Subject: **SB 255 Real Estate Conveyance Tax; Rate; Disposition**
SB 581 Conveyance Tax; Rental Housing Revolving Fund; Disposition

TESTIMONY IN SUPPORT

Chair Espero, Vice Chair Harimoto and members of the Committee:

Thank you for this opportunity to submit testimony in Strong Support of both SB 255 and SB 581 both of which are related to the funding of the Rental Housing Revolving Fund.

I am Kevin Carney, Vice President of EAH Housing. EAH is a 48 year old non-profit public benefit corporation whose mission is to develop, manage and promote affordable rental housing. We are one of the largest non-profit affordable rental housing developers in the western United States. We have developed over 95 affordable rental properties, manage over 100 rental properties and we serve over 20,000 residents in communities in Northern California and Hawaii. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI).

In order to make our 60% AMI rental projects financially feasible we need free land and large subsidies. Our rents are fixed by the Department of Housing and Urban Development (HUD). Our largest source of equity is the Low Income Housing Tax Credit Program which is explained in IRS Code 42. This equity source is typically supplemented by the State's Rental Housing Revolving Fund (RHRF), HOME Program Funds, Community Development Block Grant Funds and other non-recourse funds that may be available at the county level.

Since the November 2017 national election we have seen a major upheaval across the country in our largest source of equity – the Low Income Housing Tax Credit. The new national administration has expressed a desire to lower the corporate federal income tax rate from 35% to 15%. This potential lowering of the tax means that corporations would have less of an appetite for tax credits. Our industry, the development of low-income rental housing, was immediately affected by this potential change. Almost instantaneously investors began dropping out of deals or altering the price they indicated they would pay for a tax credit just a month earlier. The consensus in our industry to-date is that the corporate tax rate will most likely be lowered to 20% and investors, if they are staying in the market, are basing their Letters of Intent on that level. This translates to a major reduction in the amount of tax credit equity that we are able to raise. And this means that developers like us will have to depend more and more on the RHRF and other State and County sources to make up the shortfall.

We at EAH Housing already have one project being delayed as we reapply to HHFDC for additional RHRFs to make up for the loss of tax credit equity. We have an additional project in the pipeline that may also be affected. And again, this is happening to low-income housing developers across the country, not just here in Hawaii.

EAH Housing is in strong support of increases to the conveyance tax. We support an increase in the percentage of the conveyance tax that supports the RHRF and we support a removal of the \$38 million cap on the conveyance tax support of the RHRF. These funds will be put to good use in helping to resolve our housing crisis by providing affordable rental housing for those most in need at the 60% and below AMI level.


Sincerely,


A handwritten signature in black ink, appearing to read "Kevin R. Carney". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Kevin R. Carney, RB-16444
(PB), NAHP-E
Vice President, Hawaii
EAH Housing, RB-16985



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1259 A'ala Street, Suite 300
Honolulu, HI 96817

January 31, 2017

The Honorable Will Espero, Chair
Senate Committee on Housing
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: S.B. 255, Relating to Conveyance Tax

HEARING: Tuesday, January 31, 2017, at 2:45 p.m.

Aloha Chair Espero, Vice Chair Harimoto, and Members of the Committee.

I am Myoung Oh, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,000 members. HAR **opposes** S.B. 255 which increases the rate of real estate conveyance tax for properties with a value of at least \$2 million. Additionally, this measure amends the calculation for the amount of conveyance taxes to be deposited into the Rental Housing Trust Fund.

The Conveyance Tax applies to the conveyance of multi-family rentals, land for residential subdivisions, mixed-income and multi-use properties, commercial properties, resort properties, and agricultural lands, as well as condominium and single-family homes. It applies whether or not a property is sold at a gain or a loss.

The tax applies to the entire purchase price, and does not take into account the amount of indebtedness that may be on the property being sold, or whether the seller may be selling at less than what the seller originally acquired the property for. Thus, in certain circumstances the seller may not have the cash to be able to pay the Conveyance Tax, or the amount of tax may be so high relative to the net proceeds that the seller is receiving as to become confiscatory.

In 2005, the Conveyance Tax was increased on a tiered scale on 1) the sale of realty for all transfers or conveyance of realty or any interest (i.e. commercial, timeshare, agricultural, industrial, etc. and condominium or single-family residences for which the purchaser is eligible for a county homeowner's exemption); and 2) the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption.


In 2009, the Legislature once again increased the Conveyance Tax on 1) the sale of realty from 30 cents per \$100 (.30%) for properties over \$1,000,000 to a maximum of \$1.00 (1%)


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per \$100 for properties over \$10,000,000 -- an increase of over 333%, and 2) the sale of a property ineligible for a county homeowner exemption from 30 cents per \$100 to \$1.25 per \$100 (1.25%) -- an increase of over 416.66%.

The problem linking funding to the Conveyance tax is that when the real estate market is down, there are not enough funds to pay for the programs and special funds it covers. Then, the Conveyance Tax would need to be increased to cover the programs. However, when the market is up, there are excess funds over and above the program's needs. This becomes a cyclical issue, and unreliable in forecasting these program's needs.

While HAR supports the Rental Housing Trust Fund and increasing the allocation of funds to the program, we oppose increasing the Conveyance Tax to do so.

Mahalo for the opportunity to testify in opposition to this measure.





Hawaii
Habitat
for Humanity[®]
Association

Building Housing, Building Hope

January 30, 2017

From: George S. Massengale
To: Senate Committee on Housing
Date: Hearing January 31, 2017 at 2:45 P.M.
Subj: SB255, Relating to the Conveyance Tax

Testimony in Strong Support

Senator Will Espero, Chair and Senator Breene Harimoto, Vice Chair and members of the Committee on Housing.

I am here today on behalf of Hawaii Habitat for Humanity Association and our seven county Habitat affiliates to ask you to pass SB255 which would increase the rate of real estate conveyance tax for properties with a value of at least \$2,000,000.

I am sure that committee members are aware that there has been a housing construction boom on high end condominiums, many of which were offered for sale between 2 million and 6 million dollars. Many of these were cash sales. In addition, many of these units are only occupied occasionally by their owners for vacation or business use. For most of the year these properties are vacant.

We would also note for the committee that many of these owners are unlikely to be paying Hawaii State Income Tax, thus they contribute nothing towards state supported social welfare, health, and housing programs.

Changing the conveyance tax calculation on high end properties would provide for more money to build affordable housing for our low income families, many of whom work two jobs to make their monthly rent payment.

We believe that these owners need to start paying their fair share. Changing the conveyance tax calculations would help in doing this.

Please pass this bill to the Committee on Ways and Means for further consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "George S. Massengale".

George S. Massengale
Director, Community Engagement

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]
Sent: Monday, January 30, 2017 9:24 AM
To: HOU Testimony <HOUTestimony@capitol.hawaii.gov>
Cc: egcarson@icloud.com
Subject: Submitted testimony for SB255 on Jan 31, 2017 14:45PM

SB255

Submitted on: 1/30/2017

Testimony for HOU on Jan 31, 2017 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Godbey Carson	Housing Now/FACE	Support	No

Comments:

To: Senate Committee on Housing
Date: January 29, 2017
Place: Hawaii State Capitol – Room No. 225
Re: SB-255, Relating to the Conveyance Tax

Testimony in Strong Support

Senator Will Espero, Chair and Senator Breene Harimoto, Vice Chair and members of the Committee on Housing.

My name is Ellen Godbey Carson and I am with Housing Now. I am that asking that you pass SB-255 which would increases the rate of real estate conveyance tax for properties with a value of at least \$2,000,000.

I am sure that you are aware that many of the high end properties (those valued at over \$2,000,000 or more) are only occupied by on a part-time basis by their owners. The rest of the year these properties are vacant.

I would also like to point out that many of these owners are unlikely to by paying Hawaii State Income Tax, thus they contribute nothing towards state supported social service, welfare, health and housing programs.

Changing the conveyance tax calculation on high end properties would provide for more money to build affordable housing for our low income families.

These owners need to start paying their fair share. Changing the conveyance tax calculating would help do this.

Please pass this bill to the Committee on Ways and Means for further consideration. We really need affordable housing now!

Mahalo

Ellen Godbey Carson, 1080 S. Beretania St, GPH2, Honolulu, HI 96814

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 30, 2017 1:24 PM
To: HOU Testimony
Cc: stanfranco@hawaiiantel.net
Subject: Submitted testimony for SB255 on Jan 31, 2017 14:45PM

SB255

Submitted on: 1/30/2017

Testimony for HOU on Jan 31, 2017 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
stan franco	Face Maui	Support	No

Comments: Last year, Civil Beat reported that 52% of homes sold on Maui from 2008 to 2015 were to mainland and foreign buyers. Political candidates tell me that in going house to house more and more homes are being rented illegally to mainland visitors. We need the extra income to make housing for our local people to work. Please pass this measure.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, January 29, 2017 10:47 PM
To: HOU Testimony
Cc: pastordianem@gmail.com
Subject: Submitted testimony for SB255 on Jan 31, 2017 14:45PM

SB255

Submitted on: 1/29/2017

Testimony for HOU on Jan 31, 2017 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Diane S. Martinson	Individual	Support	No

Comments: I support SB-255 which will provide more money to build affordable housing for our low income families. We have a crisis in the islands, and those who have the resources to purchase high end housing are most able to bear a higher conveyance tax rate for the betterment of the quality of life for everyone in this state. Please pass this bill to the Committee on Ways and Means for further consideration. Thank you!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, January 29, 2017 4:35 PM
To: HOU Testimony
Cc: btkcharlton@gmail.com
Subject: Submitted testimony for SB255 on Jan 31, 2017 14:45PM

SB255

Submitted on: 1/29/2017

Testimony for HOU on Jan 31, 2017 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Beth Charlton	Individual	Support	No

Comments: To: Senate Committee on Housing Date: January 29, 2017 Place: Hawaii State Capitol – Room No. 225 Re: SB-255, Relating to the Conveyance Tax Testimony in Strong Support Senator Will Espero, Chair and Senator Breene Harimoto, Vice Chair and members of the Committee on Housing. My name is Beth Charlton and I am with Housing Now. I am that asking that you pass SB-255 which would increases the rate of real estate conveyance tax for properties with a value of at least \$2,000,000. I am sure that you are aware that many of the high end properties (those valued at over \$2,000,000 or more) are only occupied by on a part-time basis by their owners. The rest of the year these properties are vacant. I would also like to point out that many of these owners are unlikely to by paying Hawaii State Income Tax, thus they contribute nothing towards state supported social service, welfare, health and housing programs. Changing the conveyance tax calculation on high end properties would provide for more money to build affordable housing for our low income families. These owners need to start paying their fair share. Changing the conveyance tax calculating would help do this. Please pass this bill to the Committee on Ways and Means for further consideration. We really need affordable housing now! Mahalo Beth Charlton

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: CPH Testimony
Sent: Monday, January 30, 2017 8:15 AM
To: HOU Testimony
Subject: FW: support for SB255

-----Original Message-----

From: Peggy Graybill [mailto:graybip@fastmail.com]
Sent: Monday, January 30, 2017 7:51 AM
To: CPH Testimony <CPHTestimony@capitol.hawaii.gov>
Subject: support for SB255

The conveyance tax is a great way to provide funding for affordable housing; it is progressive, thus taking money from the wealthy to help with providing housing for the poor and middle class in Oahu.

Go faster alone, go farther together
Peggy Graybill

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 30, 2017 11:07 AM
To: HOU Testimony
Cc: brandon.duran@gmail.com
Subject: Submitted testimony for SB255 on Jan 31, 2017 14:45PM

SB255

Submitted on: 1/30/2017

Testimony for HOU on Jan 31, 2017 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Brandon W Duran	Individual	Support	No

Comments: Dear Senate Housing Committee Chair and Members, I support SB 255 for the following reasons: 1. Hawaii is in a housing crisis and people who are able to purchase housing have a moral responsibility to help out. 2. Our state is missing out on receiving more money from off-shore investors, and this is one way to recover some of those missing opportunities. 3. This increase in the conveyance tax would not only increase the amount of money going to affordable housing, but also would increase the amount of money going to those programs that receive the other 50% of the conveyance tax. 5. I also support removing the cap of \$38 million which is now going into the Rental Housing Revolving Fund so that a full 50% of the conveyance taxes would go into this fund. HHFDC really needs all the monies that it can get at this point in time to encourage developers to plan and execute appropriate housing at all levels of affordability. The certainty that funds will be available to subsidize affordable housing is a major hurdle for developers in even thinking about making plans. We need visionaries to plan, courageous legislators to commit the funds and a vibrant building community to make this happen. Respectfully submitted, Rev. Brandon Duran

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