

STAND. COM. REP. NO.

834

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 1362

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1362 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 raise the conveyance tax rates for residential investment properties having a value of at least \$2,000,000.

This measure also exempts the conveyance of real property that is subject to a government assistance program qualified by the Hawaii Housing Finance and Development Corporation from the conveyance tax.

Your Committee received testimony in support of this measure from the Americans for Democratic Action Hawaii, Church of the Crossroads, Hawaii Alliance for Community-Based Economic Development, League of Women Voters of Hawaii, Hawaiian Community Assets, and several individuals.

Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii, Chamber of Commerce Hawaii, and Hawaii Association of Realtors.

Your Committee received comments on this measure from the Department of Taxation, Hawaii Housing Finance and Development



Corporation, Tax Foundation of Hawaii, and Faith Action for Community Equity.

Your Committee finds taxing the transfers of very high value property at much higher levels will serve to lessen the growing inequality in income and wealth between a small but wealthy segment of the population and the much larger but poorer segment of the population.

Your Committee has amended this measure to clarify the exemption for the conveyance of real property that is subject to a government assistance program by:

- (1) Specifying that the real property shall be conveyed by an owner-occupant, the government assistance program shall be for affordable housing, and the owner-occupant shall receive certification from the Hawaii Housing Finance and Development Corporation in order to qualify for the exemption; and
- (2) Removing non-restrictive language relating to the purpose of the exemption.

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. 1362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1362, S.D. 1, and be placed on the calendar for Third Reading.


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


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1362	WAM	2/11/19		
<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
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.				X
RIVIERE, Gil		X		
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	9	1		3
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