

STAND. COM. REP. NO.

3626

Honolulu, Hawaii

MAY 21 2020

RE: H.B. No. 2448
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2448, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that the exemption from the general excise tax established by section 201H-36, Hawaii Revised Statutes, shall be provided once the qualifying person or firm has filed or recorded a regulatory agreement in land court or the bureau of conveyances, or both, whichever is appropriate.

Your Committee received testimony in support of this measure from the Kobayashi Group, LLP and one individual. Your Committee received comments on this measure from the Department of Taxation; Hawaii Housing Finance and Development Corporation; Tax Foundation of Hawaii; and The Michaels Organization, LLC.

Your Committee finds that section 201H-36, Hawaii Revised Statutes, establishes an exemption from the state general excise tax for qualifying housing projects. However, your Committee notes that some developers are unsure at what point in the development process this exemption begins. This measure clarifies that the exemption from the general excise tax established by section 201H-36, Hawaii Revised Statutes, shall be provided once



the qualifying person or firm has filed or recorded a regulatory agreement in land court or the bureau of conveyances, or both, whichever is appropriate.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

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 H.B. No. 2448, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2448, H.D. 1, 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,



STANLEY CHANG, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2448, HD1	HOU, WAM	3/12/20 <i>DK</i> 3/12/20		
<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
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>DK</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