

STAND. COM. REP. NO.

676

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 334

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 334 entitled:

"A BILL FOR AN ACT RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNTS,"

begs leave to report as follows:

The purpose of this measure is to amend existing state statutes governing individual development accounts for low- and moderate-income households by:

- (1) Expanding eligibility for state-funded individual development accounts to certain households;
- (2) Expanding the allowable uses of account funds to rental housing and transportation;
- (3) Clarifying reporting requirements for fiduciary organizations; and
- (4) Requiring the Department of Business, Economic Development, and Tourism to certify the tax credits for contributions.

The Office of Hawaiian Affairs, Hawaii Credit Union League, Hawaii Community Assets, Hawaii State Federal Credit Union,

HB334 HD1 HSCR HSH HMS 2019-2321



Council for Native Hawaiian Advancement, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Hawaii Commission on Fatherhood, Hawaii Bankers Association, and Hawaii HomeOwnership Center supported this measure. The Department of Business, Economic Development & Tourism, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee notes the comments raised by the Tax Foundation regarding the individual development account contribution tax credit and its sunset in 2004. Questions were raised regarding the tax credit's rare usage, and if it were possible to utilize the tax credit more if it were publicized.

Your Committee has amended this measure by:

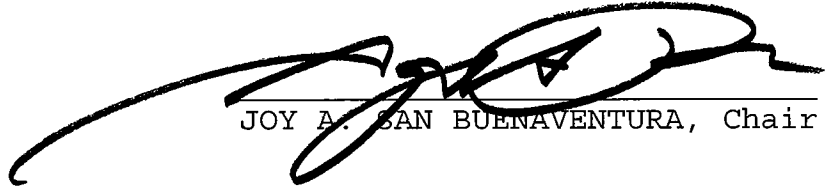
- (1) Having state matching dollars be authorized for fiduciary organizations from time to time;
- (2) Requiring the fiduciary organization to make the withdrawal request from the fiduciary organization's deposit account for a qualified expenditure;
- (3) Appropriating an unspecified amount of funds for the purposes of this measure; and
- (4) Changing its effective date to January 1, 2059, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 334, H.D. 1, and be referred to your Committee on Finance.



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Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Homelessness,



JOY A. SAN BUENAVENTURA, Chair



