

STAND. COM. REP. NO.

3385

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2054
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2054, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INFRASTRUCTURE IMPROVEMENT DISTRICTS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a real property surcharge to fund infrastructure improvements.

Specifically, this measure:

- (1) Establishes an annual surcharge on transit-oriented development properties that have been sold after a state appropriation has been made to improve the infrastructure in the district in which that property is located;
- (2) Requires the counties to collect the surcharge and allocates a portion of the surcharge revenue to the applicable county; and
- (3) Provides that the measure shall take effect upon ratification of a constitutional amendment proposed by another measure.



For purposes of a public hearing, your Committee circulated a proposed S.D. 2 of the measure and notified the public that your Committee would be accepting testimony on the proposed S.D. 2, which replaces the contents of the measure with provisions that:

- (1) Authorize the cost of regional infrastructure improvements made by the Hawaii Housing Finance and Development Corporation to be assessed against transit-oriented development projects that specifically benefit from those improvements; and
- (2) Clarify that the Hawaii Interagency Council for Transit-Oriented Development may approve appropriate grants and loans for certain infrastructure improvements.

Your Committee received written comments in support of the S.D. 1 from the Hawaii Community Development Authority.

Your Committee received written comments in opposition to the S.D. 1 from a member of the Maui County Council, Office of the Mayor of the County of Hawaii, and Hawaii Association of REALTORS.

Your Committee received written comments on the S.D. 1 from the Department of Taxation, Department of Land and Natural Resources, Office of Planning, Tax Foundation of Hawaii, and Building Industry Association of Hawaii.

Your Committee received written comments in support of the proposed S.D. 2 from the Hawaii Housing Finance and Development Corporation and Office of Planning.

Your Committee finds that requiring the Hawaii Interagency Council for Transit-Oriented Development to review and make a recommendation on applications for a grant or loan for a transit-oriented development infrastructure project will assist the applicable county council, mayor, or state agency in determining the best use of funds within the applicable regional state infrastructure subaccount.

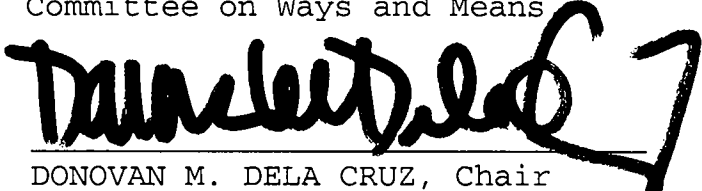
Your Committee has amended this measure by adopting the proposed S.D. 2 with the following further amendments:



- (1) Removing language explicitly authorizing the Hawaii Interagency Council for Transit-Oriented Development to approve appropriate grants and loans for certain capital improvement projects; and
- (2) Requiring the Hawaii Interagency Council for Transit-Oriented Development to review and make recommendations on applications for subaccount funds for infrastructure projects related to transient-oriented development.

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. 2054, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2054, S.D. 2.

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:
<i>SB 2054, SDI</i>	<i>EET, WAM</i>	<i>2-28-20</i>

The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)				✓
ENGLISH, J. Kalani	✓			
HARIMOTO, Breene				✓
INOUYE, Lorraine R.	✓			
KAHELE, Kaiali'i				✓
KANUHA, Dru Mamo	✓			
KIDANI, Michelle N.	✓			
MORIWAKI, Sharon Y.	✓			
RIVIERE, Gil				✓
SHIMABUKURO, Maile S.L.	✓			
TANIGUCHI, Brian T.				✓
FEVELLA, Kurt	✓			
TOTAL	<i>8</i>			<i>5</i>

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Michelle N. Kidani

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*Only one measure per Record of Votes