

STAND. COM. REP. NO.

205

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 26  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 26  
entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to establish the individual housing accounts savings program, with accompanying board and administrative fund. The savings program will allow Hawaii residents to save money for a down payment on a home or certain other home-related expenses.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Hawaii Credit Union League, Office of Information Practices, and Department of Budget and Finance.

Your Committee finds that this measure is intended to create a way for employees who are Hawaii taxpayers to save money for home ownership or other housing-related expenses. Your Committee has heard testimony that when a similar program was offered there were only 83 participants in the program, which would make it difficult to achieve economies of scale.

Your Committee understands this concern and notes that S.B. No. 5, Regular Session of 2021, is substantially similar to this



measure and creates employer-run housing savings accounts but creates an opt-out system where every employee is automatically enrolled rather than the opt-in provision in this measure as drafted. Your Committee finds that the language in S.B. No. 5 is preferable as it will result in far greater participation in the program.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 5, a measure that:

- (1) Establishes a Housing Savings Account system;
- (2) Establishes a board for administrative purposes within the Department of Budget and Finance;
- (3) Sets the default contribution rate, but provides that employees may elect to contribute a different amount; and
- (4) Automatically enrolls all employees in the program, but also provides that any employee may opt-out at any time.

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 S.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 26, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,

  
STANLEY CHANG, Chair



The Senate  
 Thirty-First Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 26	HOU, WAM / JDC	2/2/21		
<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.	✓			
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes