

STAND. COM. REP. NO. 126

Honolulu, Hawaii
FEB 10 , 2021

RE: H.B. No. 1324
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Pandemic & Disaster Preparedness and Economic Development, to which was referred H.B. No. 1324 entitled:

"A BILL FOR AN ACT RELATING TO COMMERCIAL PROPERTY RENT RELIEF,"

beg leave to report as follows:

The purpose of this measure is to establish a commercial rent relief grant program for owners of properties classified as commercial, hotel and resort, or industrial under county real property tax classifications, under certain circumstances.

Your Committees received testimony in support of this measure from the Tanaka of Tokyo Restaurants; Blue Ginger; Joe's Grill Express; The Bar Method Honolulu; Hawaii Food Industry Association; Hawai'i Association of REALTORS; Chamber of Commerce Hawaii; Island Business Management, LLC; Eggs 'n Things; Oahu Coffee and Sodaworks, Inc. dba Morning Brew Cafe; NAIOP Hawaii Chapter; Akamai Foundation; Suzuki Properties, LLC; MW Group, Ltd.; Retail Merchants of Hawaii; and nine individuals. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that in order to mitigate the effects of the coronavirus disease 2019 (COVID-19) pandemic, the Governor

proclaimed a state of emergency, which required many businesses to close down. The mandated closures, while necessary, have had a devastating impact on the local economy. Your Committees further find that due to these mandated closures, commercial landowners have also suffered financially due to unpaid rent or business closures. Your Committees recognize the efforts of commercial landowners who have tried to ease the financial burden placed on small businesses in the State by providing rent forgiveness to their tenants. Your Committees believe that commercial landowners who provided rent forgiveness to their tenants should be helped so that small businesses may continue to operate in the State.

Your Committees have amended this measure by:

- (1) Changing the administering agency for the commercial rent relief grant program from the Department of Taxation to the Department of Business, Economic Development, and Tourism;
- (2) Authorizing the Department of Taxation to share confidential tax information necessary to determine the eligibility for a grant with the Department of Business, Economic Development, and Tourism;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.


As affirmed by the records of votes of the members of your Committees on Pandemic & Disaster Preparedness and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1324, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1324, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committees on Pandemic &
Disaster Preparedness and
Economic Development,



SEAN QUINLAN, Chair



LINDA ICHIYAMA, Chair



