

STAND. COM. REP. NO.

387

Honolulu, Hawaii

FEB 18 , 2021

RE: H.B. No: 1324

H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1324, H.D. 1, entitled:

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

begs 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 Committee received testimony in support of this measure from the Hawaii Food Industry Association; Hawai'i Farm Bureau; Retail Merchants of Hawaii; Chamber of Commerce Hawaii; HawaiiUSA Federal Credit Union; Fun Factory, Inc.; Eggs 'n Things; Retail Entertainment Concepts, Inc.; Island Business Management Hawaii; Hawaii Bankers Association; NAIOP Hawaii; Blue Ginger; Maui Chamber of Commerce; Hawaii Lodging & Tourism Association; and ABC Stores. Your Committee received comments on this measure from the Department of Taxation and Department of Business, Economic Development, and Tourism.

Your Committee finds 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

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close down. The mandated closures, while necessary, have had a devastating impact on the local economy. Your Committee further finds that due to these mandated closures, commercial landowners have also suffered financially due to unpaid rent or business closures. Your Committee recognizes 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. The potential benefit of this grant program for certain commercial property owners who provide tenant businesses with rent relief could serve as the impetus to restarting our local economy in the new normal business environment and serve as a catalyst for commercial property owners and tenant business owners working together to develop a more resilient economic plan or alliance moving forward. Your Committee believes 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 Committee has amended this measure by specifying that the Department of Business, Economic Development, and Tourism, rather than the Department of Taxation, is the agency authorized to conduct audits and investigations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1324, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1324, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



