

STAND. COM. REP. NO. 1035

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1352
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1352, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to promote and encourage the development of affordable housing in the State.

Specifically, this measure:

- (1) Establishes the Rental Deposit Loan Program to help Hawaii residents provide security deposits for rentals;
- (2) Creates tax incentives for the development of affordable housing;
- (3) Addresses various government processes to lower housing construction costs;
- (4) Authorizes the Hawaii Housing Finance and Development Corporation to develop certain housing projects that are exempt from laws, rules, and ordinances, including income restrictions, under certain circumstances;
- (5) Authorizes the Department of Land and Natural Resources to retain a consultant to perform certain reviews;



- (6) Requires that laborers and mechanics employed for the construction of any public work project be paid no less than the prevailing wages, under certain conditions;
- (7) Requires that orders from the Governor to set aside public lands for the development of affordable housing contain a provision that the construction of the development shall be subject to Hawaii's wages and hours law for employees on public works;
- (8) Repeals the \$30,000,000 cap and contracting restriction on the general excise tax exemption for projects approved and certified by the Hawaii Housing Finance and Development Corporation; and
- (9) Appropriates funds for the establishment of the Rental Deposit Loan Program.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Office of the Governor, a member of the Kauai County Council, Pacific Resource Partnership, and Hawaii Regional Council of Carpenters.

Your Committee received written comments on this measure from the Department of Taxation, Hawaii Housing Finance and Development Corporation, Tax Foundation of Hawaii, Maui Chamber of Commerce, and one individual.

Your Committee finds that requiring contractors to comply with wage and hour laws for all government housing construction projects will help to provide workers with a living wage and promote compliance with Hawaii employment laws.

Your Committee has amended this measure by:

- (1) Deleting sections 2 through 8 and section 13 from the measure;
- (2) Amending section 1 to reflect its amended purpose;
- (3) Changing from \$30,000,000 to an unspecified amount the general excise tax exemption limit that the Hawaii



Housing Finance and Development Corporation may approve and certify for a housing project;

- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1352, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1352, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

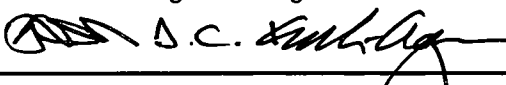


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1352 SD1	Committee Referral: HOU/WTL;WAM	Date: 3/2/23		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn				X
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	12			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes