

Honolulu, Hawaii

MAR 18 2024

RE: H.B. No. 2787
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2787, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE INDIVIDUAL HOUSING ACCOUNT PROGRAM, "

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the maximum amount of deductible contributions for individual housing accounts; and
- (2) Require and appropriate funds for the Department of Taxation to create and implement a public awareness campaign about individual housing accounts.

Your Committee received testimony in support of this measure from the Maui Chamber of Commerce, Grassroot Institute of Hawaii, and two individuals.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the current median home value in the State is estimated to be between \$820,000 and \$977,000. The existing maximum allowed contribution under the State's Individual




Housing Account Program is \$25,000 per year, which has not been increased since the program was established in 1982. At these current rates, a minimum of eight years of savings would be required just for a down payment. Your Committee further finds that saving for a down payment for the purchase of a home continues to be a barrier for many Hawaii residents, with few programs available to assist in this endeavor. Therefore, this measure will incentivize home ownership for first time buyers by increasing the maximum contributions to individual housing accounts as an allowable tax deduction to enable buyers to save for a down payment and closing costs.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2787, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2787, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

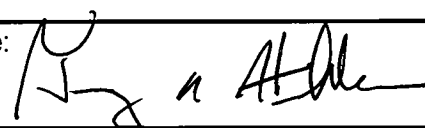
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2787 HD2	HOU, WAM	3/12/24		
<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)	✓			
HASHIMOTO, Troy N. (VC)	✓			
AQUINO, Henry J.C.	✓			
KANUHA, Dru Mamo				✓
AWA, Brenton	✓			
TOTAL	4	0	0	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