

STAND. COM. REP. NO.

600

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 709  
S.D. 1

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 709 entitled:

"A BILL FOR AN ACT RELATING TO AN INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a nonrefundable individual income tax credit for expenses paid to retrofit a residence with wind resistive devices.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Department of Taxation, Department of Defense, and Tax Foundation of Hawaii.

Your Committee finds that hurricanes pose one of the highest-risk hazards to the State. Many older homes lack protective structural elements that have been proven to reduce the severity of damage from hurricane winds. The best long-term solution for reducing potential damage is the statewide use of wind resistive devices. However, the costs associated with the installation of wind resistive devices can deter homeowners from implementing them. Therefore, this measure establishes an income tax credit to assist qualified homeowners with the installation of approved wind resistive devices for their homes.



Your Committee acknowledges the testimony of the Insurance Division of the Department of Commerce and Consumer Affairs, which raised concerns that the Division's staff lacks the appropriate expertise to pre-certify wind resistive retrofit credit costs. Your Committee also acknowledges the testimony of the Department of Taxation, which requested amendments to the measure that would clarify the program's wind resistive retrofit credit eligibility requirements and the length and number of credits available under the program.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a blank dollar amount for the tax credit;
- (2) Inserting a blank cap for the number of tax credits that may be claimed each year;
- (3) Inserting a provision authorizing the Department of Commerce and Consumer Affairs to adopt rules to determine administration of the program and eligibility requirements;
- (4) Inserting a blank appropriation to the Insurance Division of the Department of Commerce and Consumer Affairs for the establishment, implementation, and administration of the wind resistance retrofit tax credit program;
- (5) Inserting a five-year sunset date;
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (7) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 1, and be referred to your Committee on Ways and Means.



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



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JARRETT KEOHOKALOLE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB709</b>	Committee Referral: <b>CPN, WAM</b>	Date: <b>2/7/23</b>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	<del>✓</del>		✓	
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>0</b>

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature:  
*Carol Fukunaga*

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\*Only one measure per Record of Votes