

Honolulu, Hawaii

FEB 28 2025RE: S.B. No. 1133
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Ways
and Means, to which was referred S.B. No. 1133, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize counties in which over one percent of housing stock was destroyed or rendered uninhabitable by a disaster to establish a rental unit price ceiling ordinance to prohibit landlords from increasing the rental price of a dwelling unit at a rate that exceeds the percentage calculated and published by the county based on changes in the applicable Consumer Price Index;
- (2) Beginning August 1, 2025, require counties that adopt such an ordinance to annually calculate and publish the maximum rate at which a landlord may increase the rental price of a dwelling unit during the immediately succeeding twelve-month period; and
- (3) For taxable years beginning after December 31, 2025, establish a Long-Term Residential Lease Tax Credit for taxpayers who own and lease a dwelling unit located in a county that has adopted a rental unit price ceiling ordinance to a person as the person's principal



residence in the State pursuant to a fixed-term lease of at least one year.

Your Committees received testimony in support of this measure from Lāhainā Strong and twenty-three individuals.

Your Committees received testimony in opposition to this measure from the Hawai'i Association of REALTORS, NAIOP Hawaii, and eleven individuals.

Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Mortgage Bankers Association of Hawaii, and Grassroot Institute of Hawaii.

Your Committees find that long-term residential leases can provide housing security and stability for renters in the State. In the aftermath of the devastating 2023 Maui wildfires, many landlords engaged in predatory practices by increasing rents and displacing many long-term tenants, which only further exacerbated the ongoing housing shortage. This measure aims to prevent such predatory practices from further displacing renters.

Your Committees have amended this measure by:

- (1) Removing duplicative language and specifying that the income tax credit shall be available for owners of dwelling units located in counties that have adopted a rental unit price ceiling ordinance;
- (2) Clarifying that the tax credit shall be nonrefundable and that any excess of credit over liability may be carried forward for three years;
- (3) Amending section 1 to reflect its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1133, S.D. 1, as amended



herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1133, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Ways
and Means,



DONOVAN M. DELA CRUZ, Chair



JARRETT KEOHOKALOLE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

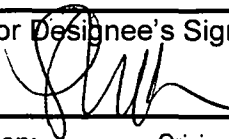
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB1133 SD1	Committee Referral: HOU, CPN/WAM	Date: 2/26/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	✓			
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"> </div>				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB1133 SD1</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">HOU, CPN / WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-26-2025</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.				X
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt				X
TOTAL	11	0	0	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;">  </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

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