

STAND. COM. REP. NO.

1357

Honolulu, Hawaii

MAR 18 , 2025

RE: S.B. No. 944
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred S.B. No. 944, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSING TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Until July 1, 2030, authorize a partner or member in a partnership or limited liability company that has been allocated a Low-Income Housing Tax Credit to further allocate the credit or transfer, sell, or assign up to one hundred percent of the Tax Credit, under certain conditions; and
- (2) Extend the sunset date of Act 129, Session Laws of Hawaii 2016, which established a different rate for the Low-Income Housing Tax Credit, until December 31, 2032.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; American Council of Life Insurers; Maui Chamber of Commerce; Chamber of Commerce Hawaii; NAIOP Hawaii; and Sugar Creek Capital.

2025-2675 SB944 HD1 HSCR HMSO



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Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the expansion of the Low-Income Housing Tax Credit program is vital to addressing the ongoing shortage of affordable housing in the State. Your Committee believes that expanding the pool of investors for state tax credits will enhance the ability of affordable housing developers to raise equity efficiently, thereby leading to faster project funding, less reliance on other financing sources, and enhanced affordability for residents.

Your Committee further finds that H.B. 949, H.D. 1 (Regular Session of 2025), a substantially similar measure that was previously passed by your Committee, is a measure that:

- (1) Clarifies that a partner or member that is a partnership or limited liability company that has been allocated a Low-Income Housing Tax Credit may either further allocate the credit or transfer, sell, or assign all or a portion of the credit to any taxpayer;
- (2) Extends the sunset date of Act 129, Session Laws of Hawaii 2016, relating to the Low-Income Housing Tax Credit, until December 31, 2032; and
- (3) Takes effect July 1, 3000.

Your Committee has amended this measure by deleting its contents and inserting the contents of H.B. No. 949, H.D. 1, with the exception of the conforming amendment that was made to Act 226, Session Laws of Hawaii 2021.

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 S.B. No. 944, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 944, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



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



LUKE A. EVSLIN, Chair

Record of Votes of the Committee on Housing

| | | |
|---------------------------------|------------------------------|---------------|
| Bill/Resolution No.: SB 944 SD2 | Committee Referral: HSG, FIN | Date: 3/14/25 |
|---------------------------------|------------------------------|---------------|

The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

| HSG Members | Ayes | Ayes (WR) | Nays | Excused |
|-----------------------------|------|-----------|------|---------|
| 1. EVSLIN, Luke A. (C) | ✓ | | | |
| 2. MIYAKE, Tyson K. (VC) | ✓ | | | |
| 3. COCHRAN, Elle | | | | ✓ |
| 4. GRANDINETTI, Tina Nakada | ✓ | | | |
| 5. KILA, Darius K. | ✓ | | | |
| 6. KITAGAWA, Lisa | ✓ | | | |
| 7. LA CHICA, Trish | ✓ | | | |
| 8. MURAOKA, Christopher L. | ✓ | | | |
| 9. PIERICK, Elijah | | | | ✓ |
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| TOTAL (9) | 7 | 0 | 0 | 2 |

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: *Tyson Miyake*