

STAND. COM. REP. NO.

2677

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2542
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2542 entitled:

"A BILL FOR AN ACT RELATING TO THE DISPOSITION OF THE
CONVEYANCE TAX COLLECTIONS TO THE RENTAL HOUSING TRUST FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to support Hawaii's goal of meeting the projected number of needed affordable housing units.

More specifically, this measure restores the allocation of conveyance tax revenues to the Rental Housing Trust Fund to fifty per cent.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of REALTORS, Office for Social Ministry of the Catholic Diocese of Honolulu, Partners in Care, PHOCUSED, and three individuals. Your Committee received comments on this measure from the Department of Budget and Finance and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii has a definite, immediate need for affordable rental housing. Your Committee also finds that the Rental Housing Trust Fund was established to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial



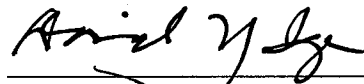
rehabilitation of rental housing units. In recognition of the need to address the shortfall in affordable rental housing units, the Legislature raised the allocation of the conveyance tax to the Rental Housing Trust Fund to fifty per cent in 2006. However, due to the economic downturn of 2008 to 2010, the allocation to the Rental Housing Trust Fund was reduced to thirty per cent. Your Committee further finds that restoring the allocation to the Rental Housing Trust Fund to fifty per cent of state conveyance tax collections will increase the amount of funds available to build affordable rental housing.

Your Committee has amended this measure by:

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

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. 2542, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2542, S.D. 1.

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



DAVID Y. ICE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2542	HMS, WAM	2-13-14		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
	10	1	0	2
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