

STAND. COM. REP. NO.

603

Honolulu, Hawaii

Feb 16, 2007

RE: H.B. No. 252
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred H.B. No. 252 entitled:

"A BILL FOR AN ACT RELATING TO CONVEYANCE TAXES FOR
SPECULATIVE SALES,"

begs leave to report as follows:

The purpose of this bill is to curb speculative residential
home sales by increasing the conveyance tax rates for sales of
condominiums or single-family residences where the purchaser is
ineligible for a county homeowner's property tax exemption.

The Nature Conservancy of Hawaii and Sierra Club-Hawaii
Chapter supported this bill. The Department of Land and Natural
Resources supported the intent of this measure. The Hawaii
Association of REALTORS and Wyndham Vacation Ownership, Inc.,
opposed the bill. The Department of Taxation submitted comments.

Your Committee finds that specified percentages of the
conveyance tax are paid into the Land Conservation Fund, Natural
Area Reserve Fund, and Rental Housing Trust Fund. Thus,
increasing the conveyance tax rate under this bill will increase
the moneys available for watershed conservation, affordable
housing programs, and the acquisition of legacy lands. However,
it is not clear what effect the bill will have on the price and
availability of housing in Hawaii, because any increase in taxes
may be transferred by a seller to a purchaser simply by increasing
the price of the home.

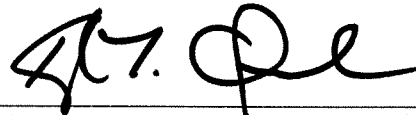
HB252 HD1 HSCR EDB HMS 2007-2167



Your Committee has changed the effective date of the bill to July 1, 2034, to encourage further discussion of the issues raised by the measure and respectfully requests the Committee on Finance to review the financial impact of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 252, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,

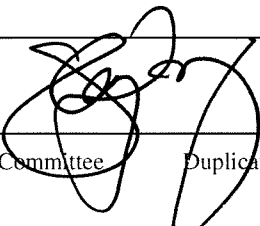


KYLE T. YAMASHITA, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 252 (HSCR62)	Date: February 12, 2007			
Committee Referral: WLH, EDB, FIN	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommitment for further consideration				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.				✓
4. BROWER, Tom		✓		
5. CHANG, Jerry L.				✓
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.	✓			
8. MANAHAN, Joey	✓			
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.		✓		
12. MARUMOTO, Barbara C.			✓	
TOTAL	7	2	1	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				