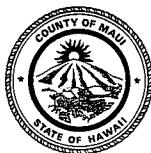


DANNY A. MATEO  
County Clerk



JOSIAH K. NISHITA  
Deputy County Clerk

**OFFICE OF THE COUNTY CLERK**

COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/county/clerk](http://www.mauicounty.gov/county/clerk)

September 20, 2016

**RECEIVED**  
**2016 SEP 20 AM 10:00**  
**OFFICE OF THE**  
**COUNTY COUNCIL**

Michael P. Victorino, Chair  
Policy and Intergovernmental Affairs Committee  
Council of the County of Maui  
Wailuku, Hawaii 96793

Dear Sir:

Attached for your information is a copy of Committee Report No. 16-143, which was adopted by the Council of the County of Maui on September 16, 2016.

Also attached is a copy of Resolution No. 16-118, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE REVENUE FOR EACH COUNTY'S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX" which was amended prior to adoption.

Respectfully,

A handwritten signature in black ink, appearing to read "Josiah K. Nishita", is written over a horizontal line.

JOSIAH K. NISHITA  
Deputy County Clerk

/lks

Enclosure

**COUNCIL OF THE COUNTY OF MAUI**  
**POLICY AND INTERGOVERNMENTAL**  
**AFFAIRS COMMITTEE**

September 16, 2016

**Committee**  
**Report No. 16-143**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Policy and Intergovernmental Affairs Committee, having met on August 29, 2016, and September 6, 2016, makes reference to County Communication 15-157, from Presiding Officer Pro Tempore Michael P. Victorino, relating to Hawaii State Association of Counties matters.

Your Committee notes each year HSAC may compile a package of proposals and priorities to be presented to the State Legislature, pursuant to Section 13C of the HSAC Bylaws. Only those proposals and priorities approved by all four councils are included in the annual HSAC Legislative Package.

Your Committee has received various proposals for the 2017 HSAC Legislative Package, including State bills to amend the Sunshine Law to allow county council members to freely attend community meetings; to adjust allocation of the State's Transient Accommodations Tax; to allow persons with disabilities to indicate on their identification cards their disability; and to impose a 1 percent conveyance tax to support the counties' affordable housing funds. These four proposals are summarized below. Other proposals remain pending before your Committee.

Sunshine Law Proposal

By correspondence dated August 23, 2016, the Chair of your Committee transmitted a proposed resolution entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A BILL TO ENABLE COUNCILMEMBERS TO FREELY ATTEND COMMUNITY MEETINGS." The purpose of the proposed

**COUNCIL OF THE COUNTY OF MAUI**  
**POLICY AND INTERGOVERNMENTAL**  
**AFFAIRS COMMITTEE**

Page 2

**Committee**  
**Report No. 16-143**

resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the resolution as Exhibit "A," entitled "A BILL FOR AN ACT RELATING TO COMMUNITY MEETINGS." The purpose of the proposed bill is to amend the State Sunshine Law, Part I, Chapter 92, Hawaii Revised Statutes, to allow members of a county council to attend and speak at community, educational, or informational meetings.

By correspondence dated September 1, 2016, the Chair of your Committee transmitted a revised proposed resolution, attaching a revised proposed State bill. The purpose of the revised proposed bill is to amend the Sunshine Law to allow members of a county council to attend community meetings without a limitation on the number of participants.

Your Committee noted the proposal is intended to make it easier for councilmembers to engage with their constituents and learn about community issues important to them.

Your Committee revised the bill to specify the community meetings be open to the public.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted "aye." Committee member Hokama was excused.

Your Committee is in receipt of a further revised proposed resolution entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ENABLE COUNCILMEMBERS TO FREELY ATTEND COMMUNITY MEETINGS," incorporating your Committee's revisions to the attached bill and nonsubstantive revisions.

**COUNCIL OF THE COUNTY OF MAUI**  
**POLICY AND INTERGOVERNMENTAL**  
**AFFAIRS COMMITTEE**

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**Committee**  
**Report No. 16-143**

TAT Proposal

By correspondence dated August 23, 2016, the Chair of your Committee transmitted a proposed resolution entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A BILL RELATING TO TRANSIENT ACCOMMODATIONS TAX." The purpose of the proposed resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the proposed resolution as Exhibit "A," entitled "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX." The purpose of the proposed bill is to change the allocation of the TAT.

By correspondence dated August 29, 2016, the Chair of your Committee transmitted a revised proposed resolution, attaching a proposed State bill, incorporating nonsubstantive revisions.

Your Committee emphasized the importance of TAT revenue to the counties.

Your Committee notes the State's annual share of the TAT has risen significantly as the visitor industry has grown and counties' shares have been capped.

Your Committee noted the State Director of Budget and Finance announced an estimated \$1 billion surplus at the end of Fiscal Year 2016.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted "aye." Committee member Hokama was excused.

Your Committee is in receipt of a further revised proposed resolution, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE

**COUNCIL OF THE COUNTY OF MAUI**  
**POLICY AND INTERGOVERNMENTAL**  
**AFFAIRS COMMITTEE**

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**Committee**  
**Report No. 16-143**

BILL RELATING TO TRANSIENT ACCOMMODATIONS TAX,” incorporating nonsubstantive revisions.

Disability ID Cards Proposal

By correspondence dated August 29, 2016, Councilmember Elle Cochran transmitted a proposed resolution entitled “APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ALLOW PERSONS WITH DISABILITIES TO INDICATE ON THEIR IDENTIFICATION CARDS THEIR DISABILITY.” The purpose of the proposed resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the proposed resolution as Exhibit “A,” entitled “A BILL FOR AN ACT RELATING TO IDENTIFICATION CARDS FOR PERSONS WITH DISABILITIES.” The purpose of the proposed bill is to allow persons with disabilities to indicate on their ID card their disability.

Your Committee noted placement of a person’s disability on their ID card could prove to be useful information to first responders during an emergency.

Your Committee clarified the proposal does not insist persons with disabilities indicate a disability on their identification card, but provides it as an option.

Your Committee voted 8-0 to recommend adoption of the proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted “aye.” Committee member Hokama was excused.

Proposal for a Conveyance Tax to Fund Affordable Housing

By correspondence dated August 30, 2016, Councilmember Elle Cochran transmitted a proposed resolution entitled “APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES

**COUNCIL OF THE COUNTY OF MAUI**  
**POLICY AND INTERGOVERNMENTAL**  
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**Committee**  
**Report No. 16-143**

LEGISLATIVE PACKAGE A BILL TO INCREASE REVENUE FOR EACH COUNTY'S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX." The purpose of the proposed resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the proposed resolution as Exhibit "A," entitled "A BILL FOR AN ACT RELATING TO THE CONVEYANCE TAX." The purpose of the proposed bill is to increase revenue for the counties' affordable housing funds through a 1 percent conveyance tax on sales of residential properties exceeding \$700,000 for five years.

Your Committee noted the proposal would add needed revenue to counties' affordable housing funds.

Your Committee noted the affordable housing shortage in Hawaii is critical.

Your Committee agreed with testifiers that the threshold of a \$700,000 purchase price was too low. Your Committee revised the proposal to raise the trigger for the proposed new conveyance tax to purchases exceeding \$1,000,000.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted "aye." Committee member Hokama was excused.

Your Committee is in receipt of a revised proposed resolution, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE REVENUE FOR EACH COUNTY'S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX," incorporating your Committee's revision and a nonsubstantive revision.

Your Policy and Intergovernmental Affairs Committee  
RECOMMENDS the following:

**COUNCIL OF THE COUNTY OF MAUI**  
**POLICY AND INTERGOVERNMENTAL**  
**AFFAIRS COMMITTEE**

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**Committee**  
**Report No. 16-143**

1. That Resolution 16-115, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ENABLE COUNCILMEMBERS TO FREELY ATTEND COMMUNITY MEETINGS," be ADOPTED;
2. That Resolution 16-116, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL RELATING TO TRANSIENT ACCOMMODATIONS TAX," be ADOPTED;
3. That Resolution 16-117, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ALLOW PERSONS WITH DISABILITIES TO INDICATE ON THEIR IDENTIFICATION CARDS THEIR DISABILITY," be ADOPTED; and
4. That Resolution 16-118, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE REVENUE FOR EACH COUNTY'S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX," be ADOPTED.

COUNCIL OF THE COUNTY OF MAUI  
**POLICY AND INTERGOVERNMENTAL  
AFFAIRS COMMITTEE**

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**Committee  
Report No. 16-143**

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
\_\_\_\_\_  
MICHAEL P. VICTORINO, Chair

pia:cr:16003(2)aa:kcw

# COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

## CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that the recommendations contained in COMMITTEE REPORT NO. 16-143 were adopted by the Council of the County of Maui, State of Hawaii, on the 16th day of September, 2016, by the following vote:

MEMBERS	Michael B. WHITE Chair	Donald S. GUZMAN Vice-Chair	Gladys C. BAISA	Robert CARROLL	Eleanora COCHRAN	Donald G. COUCH, JR.	S. Stacy CRIVELLO	G. Riki HOKAMA	Michael P. VICTORINO
ROLL CALL	Aye	Aye	Aye	Aye	Aye	Aye	Aye	Aye	Aye

Resolution No. 16-118 was amended prior to adoption.



DEPUTY COUNTY CLERK

# Resolution

No. 16-118

APPROVING FOR INCLUSION IN THE 2017  
HAWAII STATE ASSOCIATION OF COUNTIES  
LEGISLATIVE PACKAGE A STATE BILL TO  
INCREASE REVENUE FOR EACH COUNTY'S  
AFFORDABLE HOUSING FUND THROUGH A  
ONE PERCENT CONVEYANCE TAX

WHEREAS, the lack of affordable housing in every county in the State is a crisis; and

WHEREAS, each county's affordable housing situation is unique, and solutions and funding are best managed locally; and

WHEREAS, a statewide mechanism to allow each county to increase revenue for its Affordable Housing Fund is needed; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to increase revenue for the counties' affordable housing funds through a one percent conveyance tax on the sale of residential properties over \$1,000,000, is approved for inclusion in the 2017 Hawaii State Association of Counties Legislative Package; and
2. That a certified copy of this resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

\_\_\_\_.B. NO.\_\_\_\_

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# A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1.   Section 247-2, Hawaii Revised Statutes, is  
2   amended to read as follows:

3       "**§247-2   Basis and rate of tax.**   The tax imposed by section  
4   247-1 shall be based on the actual and full consideration  
5   (whether cash or otherwise, including any promise, act,  
6   forbearance, property interest, value, gain, advantage, benefit,  
7   or profit), paid or to be paid for all transfers or conveyance  
8   of realty or any interest therein, that shall include any liens  
9   or encumbrances thereon at the time of sale, lease, sublease,  
10   assignment, transfer, or conveyance, and shall be at the  
11   following rates:

12       (1)   Except as provided in paragraph (2):

13           (A)   Ten cents per \$100 for properties with a value of  
14               less than \$600,000;

15           (B)   Twenty cents per \$100 for properties with a value  
16               of at least \$600,000, but less than \$1,000,000;

**EXHIBIT "A"**

\_\_\_\_.B. NO. \_\_\_\_\_

- 1           (C)   Thirty cents per \$100 for properties with a value  
2                   of at least \$1,000,000, but less than \$2,000,000;  
3           (D)   Fifty cents per \$100 for properties with a value  
4                   of at least \$2,000,000, but less than \$4,000,000;  
5           (E)   Seventy cents per \$100 for properties with a  
6                   value of at least \$4,000,000, but less than  
7                   \$6,000,000;  
8           (F)   Ninety cents per \$100 for properties with a value  
9                   of at least \$6,000,000, but less than  
10                  \$10,000,000; and  
11           (G)   One dollar per \$100 for properties with a value  
12                  of \$10,000,000 or greater; and  
13       (2)   For the sale of a condominium or single family  
14                  residence for which the purchaser is ineligible for a  
15                  county homeowner's exemption on property tax:  
16           (A)   Fifteen cents per \$100 for properties with a  
17                   value of less than \$600,000;  
18           (B)   Twenty-five cents per \$100 for properties with a  
19                   value of at least \$600,000, but less than  
20                  \$1,000,000;  
21           (C)   Forty cents per \$100 for properties with a value  
22                  of at least \$1,000,000, but less than \$2,000,000;

\_\_\_\_.B. NO. \_\_\_\_\_

(D) Sixty cents per \$100 for properties with a value of at least \$2,000,000, but less than \$4,000,000;

(E) Eighty-five cents per \$100 for properties with a value of at least \$4,000,000, but less than \$6,000,000;

(F) One dollar and ten cents per \$100 for properties with a value of at least \$6,000,000, but less than \$10,000,000; and

(G) One dollar and twenty-five cents per \$100 for properties with a value of \$10,000,000 or greater[7]; and

(3) In addition to the rate established by paragraph (1) or (2), for the sale of a condominium or single family residence: One dollar per \$100 for properties with a value of more than \$1,000,000,

of such actual and full consideration; provided that in the case of a lease or sublease, this chapter shall apply only to a lease or sublease whose full unexpired term is for a period of five years or more, and in those cases, including (where appropriate) those cases where the lease has been extended or amended, the tax in this chapter shall be based on the cash value of the lease rentals discounted to present day value and

\_\_\_\_.B. NO. \_\_\_\_\_

1 capitalized at the rate of six per cent, plus the actual and  
2 full consideration paid or to be paid for any and all  
3 improvements, if any, that shall include on-site as well as off-  
4 site improvements, applicable to the leased premises; and  
5 provided further that the tax imposed for each transaction shall  
6 be not less than \$1."

7 SECTION 2. Section 247-7, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "§247-7 **Disposition of taxes.** All taxes collected under  
10 this chapter shall be paid into the state treasury to the credit  
11 of the general fund of the State, to be used and expended for  
12 the purposes for which the general fund was created and exists  
13 by law; provided that of the taxes collected each fiscal year:

14 (1) Ten per cent of the revenue accruing from application  
15 of the rates established in paragraph (1) and (2) of  
16 section 247-1, or \$6,800,000, whichever is less, shall  
17 be paid into the land conservation fund established  
18 pursuant to section 173A-5; ~~and~~

19 (2) Fifty per cent of the revenue accruing from the  
20 application of the rates established in paragraph (1)  
21 and (2) of section 247-1, or \$38,000,000, whichever is  
22 less, shall be paid into the rental housing revolving

\_\_\_\_.B. NO. \_\_\_\_\_

1 fund established by section 201H-202. Tax imposed by  
2 section 247-1 shall be based on the actual and full  
3 consideration[-] ; and

4 (3) One hundred percent of the revenue in each  
5 county accruing from the rate established in  
6 paragraph (3) of section 247-1 shall be  
7 allocated to the county's affordable housing  
8 fund and shall only be used to increase the  
9 supply of affordable housing by the  
10 following means:

11 (A) the purchase of existing housing units  
12 and other interests in real property;

13 (B) the planning, design, or construction  
14 of housing units;

15 (C) making grants or loans to nonprofit  
16 organizations, including community land  
17 trusts; or

18 (D) investment in public infrastructure."

19 SECTION 3. Statutory material to be deleted is bracketed  
20 and in strikethrough. New statutory material is underscored.

21 SECTION 4. This Act shall take effect upon its approval;  
22 provided that this Act shall be repealed on June 30, 2022.

\_\_\_\_.B. NO. \_\_\_\_\_

INTRODUCED BY: \_\_\_\_\_

paf:kcw:16-159b

# COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

## CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 16-118 was adopted by the Council of the County of Maui, State of Hawaii, on the 16th day of September, 2016, by the following vote:

MEMBERS	Michael B. WHITE Chair	Donald S. GUZMAN Vice-Chair	Gladys C. BAISA	Robert CARROLL	Eleanora COCHRAN	Donald G. COUCH, JR.	S. Stacy CRIVELLO	G. Riki HOKAMA	Michael P. VICTORINO
ROLL CALL	Aye	Aye	Aye	Aye	Aye	Aye	Aye	Aye	Aye



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DEPUTY COUNTY CLERK