

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 2178
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2178 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose of this bill is to support Hawaii's agricultural industry by making certain agricultural infrastructure improvements eligible for low interest financing through the issuance of special purpose revenue bonds (SPRBs). This bill authorizes the Department of Budget and Finance (B&F) to issue SPRBs for agricultural enterprises that construct or renovate agricultural irrigation systems or infrastructure that directly serve important agricultural lands.

The Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, Meadow Gold Dairies, Hawaii Farm Bureau Federation, and Land Use Research Foundation of Hawaii testified in support of this bill. B&F, and the Hawaii Agriculture Research Center supported the intent of this measure.

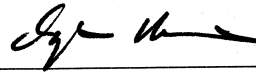


Your Committee has amended this bill by:

- (1) Adding a provision that the project party's property, interest, and revenue may be subjected to the present and future lien of any mortgage of the project party securing the project party's bonds; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2178, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2178, H.D. 1.

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



DWIGHT TAKAMINE, Chair



