

STAND. COM. REP. NO. 889 -06

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 2878  
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. 2878 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST TRADEWINDS FOREST PRODUCTS, LLC,"

begs leave to report as follows:

The purpose of this bill is to diversify Hawaii's economy by authorizing the issuance of special purpose revenue bonds for Tradewinds Forest Products, LLC, to process eucalyptus timber on the Big Island by constructing a veneer mill and cogeneration facility.

Tradewinds Forest Products, LLC, and a concerned individual testified in support of this bill. The Department of Budget and Finance (B&F) provided comments.

B&F indicated that under federal tax law, most of the project may not qualify for financing on a tax-exempt basis, and the portions of the project that may qualify will be subject to a \$10,000,000 financing limit. Moreover, qualifying the project for tax-exempt financing will depend on a detailed legal analysis of the engineering schematics and components of the proposed project.

HB2878 HD1 HSCR FIN HMS 2006-2473

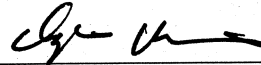


Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency, 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. 2878, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2878, H.D. 1.

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



---

DWIGHT TAKAMINE, Chair



