

Honolulu, Hawaii

Ag: 127 , 2006

RE: H.B. No. 2991
H.D. 2
S.D. 2
C.D. 1

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

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2991, H.D. 2, S.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to promote the development of affordable housing through enabling legislation that establishes the manner and procedure for the issuance of special purpose revenue bonds (SPRBs) to public instrumentalities and their qualified affiliates to develop low- and moderate-income housing.

Your Committee on Conference recognizes that the reference to "qualified affiliate" in the definition of a "project party" may not be necessary because a qualified affiliate would generally fall within the definition of a "project party" as a not-for-profit private organization or a for-profit private organization. However, your Committee on Conference elected to retain the reference to

HB2991 CD1 HCCR HMS 2006-3732



"qualified affiliate" to make it clear that SPRBs would be available to assist not only low- and moderate-income housing projects developed by not-for-profit private organizations, for-profit private organizations, and public instrumentalities, but also to assist low- and moderate-income housing projects developed by the joint efforts of public instrumentalities and not-for-profit private organizations or for-profit private organizations.

Your Committee on Conference also notes that the Attorney General expressed in a letter dated April 7, 2006, that the provisions in this measure meet constitutional requirements and do not require an accompanying constitutional amendment.

Additionally, your Committee on Conference expresses its hope that in the event that competing requests for the authorization of SPRBs occur during the same legislative session, that the Legislature would give first consideration to authorizing bonds for the low- and moderate-income housing project that will provide housing to the lowest income families.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Authorizing not-for-profit private organizations and for-profit private organizations, in addition to public instrumentalities and their qualified affiliates, to be eligible for SPRBs for the development of low- and moderate-income housing;
- (2) Including projects qualifying for federal tax exempt status under 26 U.S.C. §142(a)(7) and (d) as projects that may qualify for SPRBs under this measure;
- (3) Specifying that the State shall not operate a project on behalf of an entity qualifying for SPRBs;
- (4) Changing the effective date to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2991, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2991, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



RON MENOR, Chair



MICHAEL P. KAHIKINA, Co-Chair



BRIAN T. TANIGUCHI, Co-Chair



SYLVIA LUKE, Co-Chair



SCOTT NISHIMOTO, Co-Chair



Hawaii State Legislature

Record of Votes of a
Conference Committee

CCR 73-06

Bill / Concurrent Resolution No.: HB 2991, HD 2, SD 2	Date/Time: 4/27/06 3:35 pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

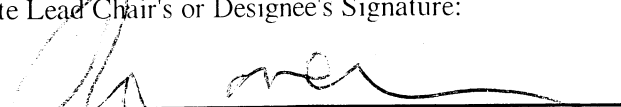

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
MENOR, Ron, Chr.	✓				KAHIKINA, Michael Puamamo, Co-Chr.	✓			
TANIGUCHI, Brian, Co-Chr.	✓				LUKE, Sylvia, Co-Chr.				✓
BAKER, Rosalyn H.	✓				NISHIMOTO, Scott Y., Co-Chr.	✓			
ESPERO, Will	✓				PINE, Kymberly	✓			
TSUTSUI, Shan S.				✓					
TOTAL	4			1	TOTAL	3			1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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