

STAND. COM. REP. NO.

2098

Honolulu, Hawaii

Feb. 15, 2006

RE: S.B. No. 2269

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

Sir:

Your Committees on Media, Arts, Science, and Technology and Business and Economic Development, to which was referred S.B. No. 2269 entitled:

"A BILL FOR AN ACT RELATING TO THE CAPITAL LOAN PROGRAM,"

beg leave to report as follows:

The purpose of this measure is to allow the deposit of money received as loan repayments under the Hawaii Capital Loan Program to be redirected from the general fund to the Hawaii Strategic Development Corporation (HSDC) revolving fund.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Section 7, Act 178, Session Laws of Hawaii 2003, repealed section 210-3, Hawaii Revised Statutes, and eliminated the Hawaii Capital Loan Revolving Fund into which had been deposited all moneys received as repayments to the Hawaii Capital Loan Program. As a result, payments made subsequent to the repeal of the revolving fund were diverted to the general fund. During the 2005 legislative session, the staff and expenses of the Hawaii Capital Loan Program were transferred to the Hawaii Strategic Development Corporation, but without their associated revenues derived from the principal and interest payments under the Capital Loan Program.

Your Committees find that redirecting the associated revenues with the transferred liabilities of the Capital Loan Program from

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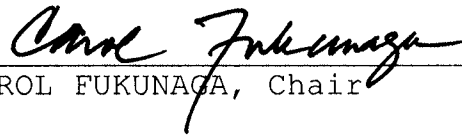
the general fund to the HSDC revolving fund will appropriately redirect the revenues of the Hawaii Capital Loan Program with its associated transfer of personnel and operating expenditures to HSDC. The transfer will also ensure that the administration of the loan program portfolio is properly maintained.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2269 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Media, Arts,  
Science, and Technology and  
Business and Economic  
Development,



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WILL ESPERO, Chair



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CAROL FUKUNAGA, Chair





