

STAND. COM. REP. NO.

2102

Honolulu, Hawaii

FEB. 15

, 2006

RE: S.B. No. 2996

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

Sir:

Your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology, to which was referred S.B. No. 2996 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose of this measure is to exempt the Hawaii Strategic Development Corporation (HSDC) from the procurement code.

Your Committees received testimony in support of this measure from HSDC. Testimony in opposition was received from the Department of Accounting and General Services, State Procurement Office, and American Council of Engineering Companies.

The Hawaii Strategic Development Corporation was created to address the critical shortage of seed and venture capital resources in the State.

Your Committees find that the nature of providing venture capital investment financing is not "procurement." In addition, the corporation needs to be able to respond very quickly when funds come on the market, or be precluded from doing any investment for perhaps several years. Therefore, your Committees find this exemption to be appropriate.


As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B.

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No. 2996 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 Transportation and Government Operations and Media, Arts, Science, and Technology,


CAROL FUKUNAGA, Chair


LORRAINE R. INOUE, Chair



