

Honolulu, Hawaii

MAR 25 2009

RE: H.B. No. 899
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Water, Land, Agriculture, and Hawaiian Affairs, to which was referred H.B. No. 899, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS,"

begs leave to report as follows:

The purpose of this measure is to clarify and strengthen the Office of Hawaiian Affairs' (OHA) bond authority.

Specifically, this measure clarifies that:

- (1) If OHA adheres to part II of chapter 10, Hawaii Revised Statutes, no other law need be enacted to authorize the principal amounts of an OHA revenue bonds issuance;
- (2) OHA's Board of Trustees can issue revenue bonds without further authorization or approval; and
- (3) OHA can meet the requirement that a project financed by revenue bonds is self-supporting not only by imposing and collecting rates, rents, fees, and charges for the use or enjoyment and services, but also by using other OHA revenues.

Testimony in support of this measure was submitted by one organization, one state agency supported the measure with amendments, and one state agency submitted comments. Written



testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure makes a number of technical changes in OHA's existing bond statutes to make it consistent, where appropriate, with other State bond statutes and government bond practice. The changes are designed to put OHA in the best position to enter the bond market on solid footing at a time when the State and national economies are creating a new impetus for OHA to seek alternative sources of funding for its projects.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 899, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land,
Agriculture, and Hawaiian
Affairs,



CLAYTON HEE, Chair



