

STAND. COM. REP. NO. 1155

Honolulu, Hawaii

March 24, 2009

RE: S.B. No. 91
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 91, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO COMMUNITY-BASED ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this bill is to update and improve the services provided by the Community-based Economic Development Technical and Financial Assistance Program (CBED Program) by:

- (1) Amending the definition of "community of interest";
- (2) Allowing the Hawaii Community-based Economic Development Revolving Fund to receive funding from any source;
- (3) Deleting the prohibition against reallocating loan funds to the grant program that could cause an insufficient availability of funds to make loans;
- (4) Adjusting the cap for loans to an unspecified amount; and
- (5) Reducing the maximum interest rate for loans from ten to six percent.



The Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, Malu'ohai Residents Association, Hawaii Alliance of Nonprofit Organizations, and a concerned individual supported this bill. The Hawaii Alliance for Community-Based Economic Development supported the intent of this measure.

This bill reduces the maximum total outstanding loan balance and maximum interest rates under the CBED Program to reflect the current economic situation. Your Committee respectfully requests the Committee on Finance to also consider whether the minimum interest rate on these loans, which at three to six percent may be higher than current interest rates, should also be reduced.

Your Committee has amended this bill by:

- (1) Setting the cap for loans under the CBED Program to \$250,000;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 91, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization, Business, &
Military Affairs,



ANGUS L.K. MCKELVEY, Chair



HSCR 1155

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: SB 91	SD2	Committee Referral: EBM, FIN	Date: 3/17/09	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.				X
4. EVANS, Cindy	✓			
5. MANAHAN, Joey				X
6. TAKAI, K. Mark				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	✓			
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
TOTAL (11)	8			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: _____ <i>Isaac W. Choy</i>				
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