

STAND. COM. REP. NO. 1644

Honolulu, Hawaii

April 9, 2009

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 91, S.D. 2, H.D. 1, 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 services provided by the Community-based Economic Development Technical and Financial Assistance Program (CBED) by, among other things:

- (1) Allowing the Hawaii Community-based Economic Development Revolving Fund to receive funding from any source;
- (2) Deleting the prohibition against reallocating loan funds to the grant program that could cause an insufficient availability of funds to make loans;
- (3) Reducing the cap on the outstanding balance of loans issued to any one applicant under CBED from \$500,000 to \$250,000; and
- (4) Reducing the maximum interest rate for loans from ten to six percent.

The Department of Business, Economic Development, and Tourism, Hawaii Alliance of Nonprofit Organizations, and a

SB91 HD2 HSCR FIN HMS 2009-3634



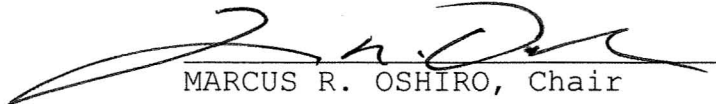
concerned individual supported this bill. The Hawaii Alliance for Community-Based Economic Development submitted comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



