

STAND. COM. REP. NO.

107

Honolulu, Hawaii

FEB 18 2009

RE: S.B. No. 140

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 Education and Housing, to which was referred S.B. No. 140 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to not-for-profit organizations that support charter schools.

Testimony in support of this measure was submitted by one state agency, three charter schools, and two private organizations. Two state agencies submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure would address one of the major expenses of running a charter school - facilities costs. A related measure, S.B. No. 139, proposes a constitutional amendment to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist not-for-profit organizations that support charter schools. Your Committee notes that such bonds are already authorized for not-for-profit private schools and early childhood education and care facilities.

Your Committee has heard the concerns raised by the Department of Budget and Finance regarding federal tax implications and the ability of not-for-profit organizations to

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generate sufficient revenue for debt service repayment, and urges the parties to work together to resolve these issues.

Your Committee has amended this measure by amending the effective date to July 1, 2040, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 140, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education and
Housing,



NORMAN SAKAMOTO, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Education and Housing
EDH

Bill / Resolution No.:* SB 140	Committee Referral: EDH, WAM	Date: 2-11-09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAKAMOTO, Norman (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
GALUTERIA, Brickwood	✓			
TSUTSUI, Shan S.				✓
HEMMINGS, Fred	✓			
TOTAL	5			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes