

STAND. COM. REP. NO. **2528**

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2948  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2948 entitled:

"A BILL FOR AN ACT RELATING TO FINANCING AGREEMENTS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that certificates of participation for the State's financing agreement program do not require legislative approval.

Your Committee received comments on this measure from the Director of Finance.

Your Committee finds that although current law does not require legislative approval prior to the issuance of a certificate of participation, the debt service for certificates of participation issued pursuant to chapter 37, Hawaii Revised Statutes, is subject to annual appropriation by the Legislature to avoid being considered a state debt. As written, the bill could result in the issuance of certificates of participation being considered debts under the state constitution, and thus subject to constitutional debt limits.

As a result, your Committee has amended the measure to clarify that, while a certificate of participation does not require legislative approval prior to being issued, it is subject to the limitation on financing agreements pursuant to section 37D-2(b)(1), Hawaii Revised Statutes, restricting, to available

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moneys, the amount payable under a financing agreement by an agency or the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2948, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB2948</b>	Committee Referral: <b>WAM</b>	Date: <b>2-10-12</b>		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>14</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: right; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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\*Only one measure per Record of Votes