

ONLY

LATE TESTIMONY

WRITTEN

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
HOUSE BILL NO. 2411, PROPOSED H.D.1

February 28, 2012

RELATING TO CAPITAL IMPROVEMENTS.

House Bill No. 2411, proposed H.D. 1, proposes to appropriate moneys to accelerate the commencement of capital improvements construction, and to authorize the use of capital improvement project appropriations, including bond fund appropriations, for contracting activities for these projects.

The Department has a comment on this bill. The bill proposes to add a new definition to Section 37-62, Hawaii Revised Statutes, as follows: ““Contracting” means the procurement, preparation, negotiation, execution, amendment, or enforcement of contracts for the commencement, implementation, construction, or acquisition of a capital improvement project or any phase of a capital improvement project.” The Department of Accounting and General Services will need to make a determination that based on the new definition of “Contracting” costs of a project are capitalizable costs includable in a capital improvement project. This determination is significant in order for projects to be financed with tax-exempt bond proceeds.

Thank you for the opportunity to provide testimony on this measure.

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IN REPLY REFER TO:

February 28, 2012

**HB 2411 proposed HD1
RELATING TO CAPITAL IMPROVEMENTS**

HOUSE COMMITTEE ON FINANCE

The Department of Transportation (DOT) supports the intent of this bill, to appropriate special funds for the planning and design of future construction projects, provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget

The Department respectfully offers the following comments relating to the H.D. 1 Proposed draft of HB2411.

The Department will, moving forward, take the time to understand the necessity of these amended definitions and how they relate to the initial intent of the bill.

The Department would like to thank the legislature for providing us with more flexibility in order to move forward with capital projects.

The Department of Transportation thanks you for this opportunity to testify.

