

Honolulu, Hawaii
February 4, 2013

RE: H.B. No. 576
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Veterans, Military, & International Affairs, & Culture and the Arts, to which was referred H.B. No. 576 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION, "

begs leave to report as follows:

The purpose of this measure is to find innovative ways to fund capital improvement projects of the Hawaii Health Systems Corporation by taking advantage of loans provided under the Immigrant Investor Pilot Program of the Immigration and Nationality Act, also known as EB-5 loans. Specifically, this measure:

- (1) Allows the Hawaii Health Systems Corporation to obtain a loan from a foreign national under the EB-5 program to fund a project of the Corporation;
- (2) Requires the Corporation to obtain the written approval of the Governor before executing any agreement to obtain an EB-5 loan;
- (3) Stipulates that the Corporation only expend the proceeds of an EB-5 loan for a project if the Legislature has made an appropriation of funds in the amount of the loan for that project; and



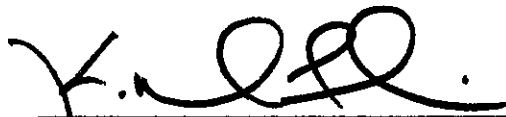
- (4) Requires the Corporation to request the amount necessary to repay the EB-5 loan in its annual budget submitted to the Governor.

The Hawaiian Islands Regional Center, LLC testified in support of this bill. Hawaii Health Systems Corporation provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Veterans, Military, & International Affairs, & Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 576, H.D. 1, and be referred to the Committee on Health.

Respectfully submitted on
behalf of the members of the
Committee on Veterans,
Military, & International
Affairs, & Culture and the
Arts,



K. MARK TAKAI, Chair



