

Honolulu, Hawaii

February 15, 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 Health, to which was referred H.B. No. 576,
H.D. 1, 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 provide enhanced executive
and legislative oversight of loans from foreign nationals under
the Immigrant Investor Pilot Program (Pilot Program) obtained by
the Hawaii Health Systems Corporation (Corporation).

More specifically, this measure:

- (1) Requires the Corporation to obtain written approval of
the Governor prior to executing any agreement to obtain
a loan under the Pilot Program;
- (2) Stipulates that the Corporation only expend the proceeds
of the loan for a project if the Legislature has made an
appropriation of funds in the amount of the loan for
that project; and
- (3) Requires the Corporation to request the amount necessary
to repay the loan in its annual budget submitted to the
Governor.



The Department of Budget and Finance testified in support of this measure. The Hawaii Health Systems Corporation submitted comments on this measure.

Your Committee finds that, currently, the Corporation has the authority to enter into financing agreements, including agreements with foreign nationals, without approval of the Director of Finance and Attorney General, provided that any financing agreement is less than \$5,000,000 and the aggregate in any fiscal year does not exceed \$25,000,000. This measure would establish proper oversight by the Executive and Legislative branches of loans received by the Corporation from foreign nationals under the Immigrant Investor Pilot Program.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 576, H.D. 1, and recommends that it be referred to the Committee on Finance.

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



DELLA AU BELATTI, Chair



