

STAND. COM. REP. NO. 1509

Honolulu, Hawaii

April 5, 2013

RE: S.B. No. 403
S.D. 2
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 403, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BONDS,"

begs leave to report as follows:

The purpose of this measure is to provide greater flexibility to the Office of Hawaiian Affairs in issuing revenue bonds and expending the revenues derived therefrom. Specifically, this measure, among other things:

- (1) Provides that the interest on revenue bonds issued by the Board of Trustees of the Office of Hawaiian Affairs may be excluded from gross income for federal income tax purposes in accordance with federal law;
- (2) Expands the purposes for which the revenues from the issuance of bonds may be expended, including by authorizing the Office of Hawaiian Affairs to undertake and fund loan programs;
- (3) Adds new and clarifies existing definitions related to the issuance and purpose of revenue bonds; and
- (4) Allows the Board of Trustees of the Office of Hawaiian Affairs to refund outstanding bonds without further authorization from the Legislature.

SB403 HD2 HSCR FIN HMS 2013-3049



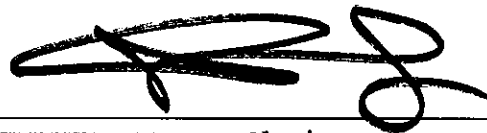
The Association of Hawaiian Civic Clubs and a few concerned individuals testified in support of this measure. The Center for Hawaiian Sovereignty Studies opposed this measure. The Department of Budget and Finance and Office of Hawaiian Affairs offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 403, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 403, S.D. 2, H.D. 2.

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



SYLVIA LUKE, Chair



