

STAND. COM. REP. NO. **2263**

Honolulu, Hawaii

FEB 12 2014

RE: S.B. No. 3066
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committees on Economic Development, Government Operations and Housing and Water and Land, to which was referred S.B. No. 3066 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC-PRIVATE FINANCE INITIATIVE,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish and appropriate funds for the Public-Private Finance Initiative; and
- (2) Require the Public-Private Finance Initiative to initiate a pilot project.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; and one individual. Your Committees received testimony in opposition to this measure from the League of Women Voters of Hawaii. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that these are difficult economic times for all levels of government, as public service demands for an increasing population put pressure on revenue resources. The State faces the challenge of balancing its budget while addressing escalating infrastructure and service needs. Due to insufficient



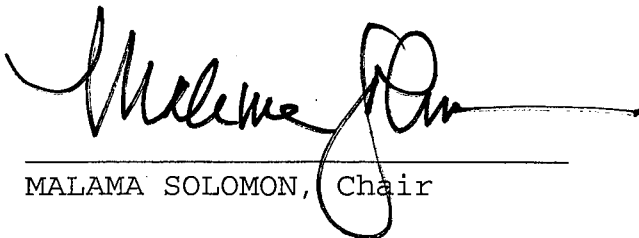
funding and postponed maintenance, these daily demands continue to increase. Creating a partnership agency to collaborate with all state agencies and private sector entities may help deliver services and facilities more effectively.

Your Committees further find that public-private partnerships give governmental entities an additional tool to deliver infrastructure through the ability to finance the design and construction of a building with a private developer. According to stakeholders with public-private partnership experience in other countries, one of the most remarkable differences with public-private partnership government buildings is that "the buildings always look new". This demonstrates a notable advantage to public-private partnerships for government property owners, where maintenance and operations are contractually mandated and integrated.

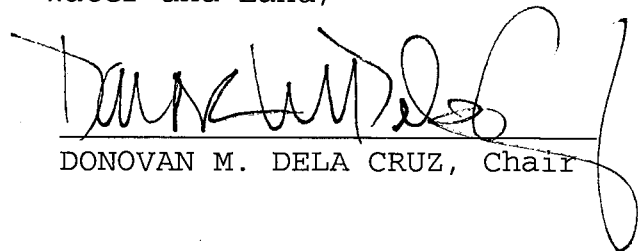
Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3066, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3066, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development, Government
Operations and Housing and
Water and Land,



MALAMA SOLOMON, Chair

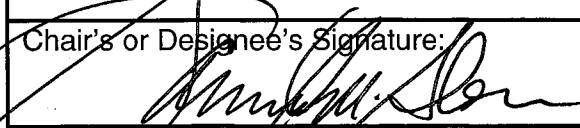


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development, Government Operations and Housing
EGH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 300b	EGH/WTL/WAM	2/10/14		
<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
DELA CRUZ, Donovan M. (C)	X			
SLOM, Sam (VC)		X		X
BAKER, Rosalyn H.				X
CHUN OAKLAND, Suzanne	X			
ENGLISH, J. Kalani	X			
THIELEN, Laura H.			X	
WAKAI, Glenn				X
TOTAL	3	1	1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

