

STAND. COM. REP. NO. 431

Honolulu, Hawaii

FEB 15 2013

RE: S.B. No. 403
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Tourism and Hawaiian Affairs, to which was referred S.B. No. 403 entitled:

"A BILL FOR AN ACT RELATING TO BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Office of Hawaiian Affairs to issue revenue bonds to fund loan programs;
- (2) Broaden the definition of construction to encompass the acquisition, purchase, reconstruction, improvement, betterment, or extension of a project; and
- (3) Authorize the Office of Hawaiian Affairs to issue refund bonds without further authorization by the Legislature.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Oahu Council Association of Hawaiian Civic Clubs, and one individual. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that this measure will provide the Office of Hawaiian Affairs with the flexibility to issue bonds, refund bonds, and provide loans in the same way that other state agencies are able to do so pursuant to chapter 39, Hawaii Revised Statutes. This measure will provide the Office of Hawaiian



Affairs with additional funding opportunities to pursue new types of projects, such as the development of its Kakaako properties.

Your Committee has amended this measure by:

- (1) Exempting the property and revenue from any loan program operated by the Office of Hawaiian Affairs from state, county, and municipal taxes and assessments;
- (2) Providing for the federal tax-exempt status of interest on revenue bonds issued by the Office of Hawaiian Affairs;
- (3) Replacing the word "nongovernmental" with the word "private" in the definitions of "loan program" and "office project" or "project" under section 10-21, Hawaii Revised Statutes, to clarify that nongovernmental individuals or organizations means private individuals or organizations; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 403, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Tourism and
Hawaiian Affairs,

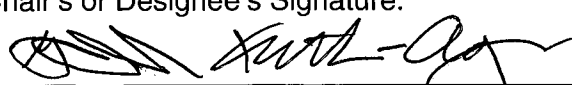


BRICKWOOD GALUTERIA, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Tourism and Hawaiian Affairs
THA

Bill / Resolution No.:	Committee Referral:	Date:		
SB 403	THA, WAM	2/13/13		
<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
GALUTERIA, Brickwood (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)	✓			
HEE, Clayton				✓
KAHELE, Gilbert				✓
KIDANI, Michelle N.		✓		
SHIMABUKURO, Maile S.L.	✓			
SOLOMON, Malama		✓		
SLOM, Sam				✓
TOTAL	3	2	0	3
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