

STAND. COM. REP. NO. 3113

Honolulu, Hawaii

MAR 24 2016

RE: H.B. No. 2027
S.D. 1,

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 2027 entitled:

"A BILL FOR AN ACT RELATING TO STATEWIDE INFRASTRUCTURE
CAPACITY BUILDING CONSTRUCTION FINANCING,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the capacity of the State's sewer, water, drainage, road, telecommunications, and broadband infrastructure by:

- (1) Establishing the infrastructure capacity construction loan revolving fund to provide loans to the counties, state agencies, and private developers for infrastructure improvements;
- (2) Appropriating funds to deposit into the infrastructure capacity construction loan revolving fund; and
- (3) Appropriating funds out of the infrastructure capacity construction loan revolving fund for loans to the counties, state agencies, or private developers for the costs of certain infrastructure improvements, and the implementation, administration, and coordination of the infrastructure capacity construction loan revolving fund.

Your Committee received testimony in support of this measure from the Department of Planning and Permitting, City and County of

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Honolulu; Hawai'i Association of REALTORS; Chamber of Commerce Hawaii; Land Use Research Foundation of Hawaii; American Society of Civil Engineers; and Building Industry of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the State's infrastructure has aged and been neglected over time, and now requires a significant capital improvement investment. The 2013 State Report Card on Infrastructure, prepared by the American Society of Consulting Engineers, indicated that there is a substantial amount of work necessary to improve the State's infrastructure. Implementation of this measure will improve and increase the State's infrastructure capacity and enable the State to accommodate future growth.

Your Committee has amended this measure by:

- (1) Limiting the infrastructure capacity construction loan revolving fund to loans for private developers to make infrastructure improvements to increase the capacity of the State's sewer, water, drainage, road, telecommunications, and broadband infrastructure, rather than the counties, state agencies, or developers;
- (2) Amending section 1 to reflect its amended purpose;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



DONNA MERCADO KIM, Chair



