



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2016**

LATE

ON THE FOLLOWING MEASURE:

S.B. NO. 2996, RELATING TO SPECIAL PURPOSE REVENUE BONDS..

BEFORE THE:

SENATE COMMITTEE ON TRANSPORTATION AND ENERGY

DATE: Thursday, February 4, 2016 **TIME:** 2:45 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Diane Erickson, Deputy Attorney General

Chair Inouye and Members of the Committee:

The Department of the Attorney General has concerns about this bill.

The bill authorizes the issuance of \$8,000,000 in special purpose revenue bonds to assist Bikeshares Hawaii to develop a bike share system as a convenient and affordable transportation option to members of the general public, either on a membership basis or through fees. The bill provides that the special purpose revenue bonds are to be issued pursuant to part V of chapter 39A, Hawaii Revised Statutes (HRS). Part V of chapter 39A, at section 39A-151, defines an industrial enterprise project as "any combination of land, buildings, and other improvements thereon, including without limitation parking facilities, for use of, or for, or to assist an industrial enterprise, including, without limiting the generality of the foregoing, machinery, equipment, furnishings, and apparatus which shall be deemed necessary, suitable, or useful to such enterprise."

We believe that the project described in the bill may not fall within the scope of "industrial enterprise" under article VII, section 12, of the Hawai'i State Constitution, as the State has interpreted that provision. Neither the Constitution nor part V of chapter 39A, HRS, defines what fits within that category, so where words in the Hawai'i Constitution or in a Hawai'i statute are undefined, it is presumed that the words are used in their "natural sense" or in "their meaning in common language." Hanabusa v. Lingle, 105 Hawai'i 28, 32 (2004); Schmidt v. AOA of the Marco Polo Apts., 73 Haw. 526, 532 (1992); section 1-14, HRS ("The words of a law are generally to be understood in their most known and usual signification . . . their general or popular use or meaning.") The common or general meaning of an "industrial enterprise"

appears to be an organization, venture, undertaking or business activity, involving a division of productive or profit-making labor, especially one that employs a large personnel and capital, especially in manufacturing. Cf. Webster's Third New International Dictionary (1986) (definition of enterprise, industrial and industry); Black's Law Dictionary, Ninth Edition (2009) (systematic labor for some useful purpose, especially work in manufacturing or production).

Because the project does not appear to fall within the scope of an industrial enterprise, the Department respectfully requests that the bill be held. Thank you for the opportunity to present our concerns.

LATE



Email: communications@ulupono.com

SENATE COMMITTEE ON TRANSPORTATION & ENERGY
Thursday, February 4, 2016 — 2:45 p.m. — Room 229

Ulupono Initiative Strongly Supports SB 2996, Relating to Special Purpose Revenue Bonds

Dear Chair Inouye, Vice Chair Gabbard, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment company that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food; increase affordable, clean, renewable energy; and reduce waste. We believe that self-sufficiency is essential to our future prosperity, and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports SB 2996, which provides \$8M in special purpose revenue bonds for Bikeshare Hawai'i to develop its bikeshare system.

In Hawai'i, the transportation sector requires more energy than the electricity sector. Furthermore, ground transportation, such as cars and trucks, rely almost exclusively on imported fossil fuels for its energy. Yet, bicycle transportation uses no fossil fuels to operate. Therefore, the state will be more economically and environmentally secure if Hawai'i is able to develop alternative transportation programs such as Bikeshare Hawai'i.

To support these efforts, Ulupono has dedicated \$150,000 to support Bikeshare Hawai'i in its efforts to develop a bicycle network. Through its fundraising and outreach, Bikeshare Hawai'i has received financial support from Federal and County officials. Bikeshare Hawai'i is projected to be financially self-sufficient once built and operational.

Bikeshare programs are more commonplace worldwide. Of the top ten visitor destinations in the United States, Hawai'i is the only one without a bikeshare program. Yet, Hawai'i has the ideal conditions for a bikeshare program including daily bikeable weather, a relatively flat topography, high vehicular traffic, a compact mix of residential, commercial, and recreational activities, an active population, and a large tourism market.

According to AAA in 2013, the cost of owning and operating a car is \$9,122 per year nationwide. A bikeshare program can reduce the cost of transportation for residents,

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especially in urban areas. The program is also expected to reduce vehicle miles traveled, lower roadway maintenance costs, promote a healthier lifestyle, create jobs, and reduce carbon emissions.

As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support renewable energy production.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner