

STAND. COM. REP. NO. **1300**

Honolulu, Hawaii

APR 04 2017

RE: H.B. No. 1588
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1588, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to promote the prudent use of the State's bond financing authority.

Specifically, the measure:

- (1) Prohibits the issuance of general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of less than ten years from the date the asset was first placed into service;
- (2) Authorizes only cash appropriations or the issuance of bonds other than general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of less than ten years from the date the asset was first placed into service; and
- (3) Requires the Director of Finance to set a maturity date of not more than ten years when issuing general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of ten years



or more from the date the asset was first placed into service.

Your Committee received comments on this measure from the Department of Budget and Finance and the Department of the Attorney General.

Your Committee finds that passage of this measure will promote fiscally responsible funding of repair and maintenance projects in the State.

Your Committee has amended this measure by:

- (1) Deleting language restricting the Legislature's ability to authorize the issuance of general obligation bonds and requiring the use of cash appropriations or bonds other than general obligation bonds, with respect to financing the repair and maintenance of capital assets with a depreciable life of less than ten years from the date the asset was first placed into service; and
- (2) Changing the effective date from July 1, 2030, to upon approval.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1588, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1588, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

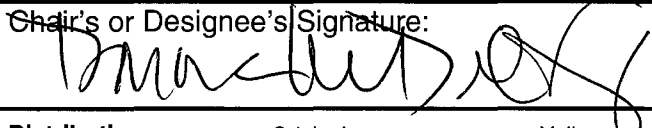


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 1588, HD1	Committee Referral: WAM	Date: 3/28/17		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUE, Lorraine R.				/
KAHELE, Kaiali'i				/
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	8			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