

STAND. COM. REP. NO.

791

Honolulu, Hawaii

**MAR 03 2017**

RE: S.B. No. 1292  
S.D. 2

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 S.B. No. 1292, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT,"

begs leave to report as follows:

The purpose and intent of this measure is to revitalize a portion of East Hawaii by establishing the Hilo community economic district to facilitate economic development and improvements to facilities and infrastructure.

Additionally, this measure reestablishes the Hawaii Community Development Authority as the "Hawaii Community Development Authorities", and establishes different governance requirements for counties with a population of five hundred thousand or more, and for counties with a population of less than five hundred thousand.

Your Committee received written comments in support of this measure from the University of Hawaii System, the East Hawaii Region of Hawaii Health Systems Corporation, the Mayor of the County of Hawaii, the Councilmember from District Three of the County of Hawaii, the Banyan Drive Hawaii Redevelopment Agency, the Chamber of Commerce Hawaii, the Hawaii Farm Bureau, the Hawaii Government Employees Association, HPM Building Supply, ILWU Local



142, Kadota Liquor, the Kanoelehua Industrial Area Association, and seven individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Department of the Attorney General, the Department of Budget and Finance, the Department of Land and Natural Resources, and the Hawaii Community Development Authority.

Your Committee finds that the Legislature created the Hawaii Community Development Authority to revitalize urban areas that were declining economically, and that the Authority can provide valuable guidance for other communities. Your Committee further finds that there is potential for increased growth and revitalization in Hilo to improve the supply of workforce and affordable housing, parks and open spaces, public facilities, and commercial, industrial, and hotel facilities. Your Committee believes that establishing the Hilo Community Economic District would coordinate redevelopment and encourage new investment and infrastructure in Hilo.

Your Committee notes that Article III, section 14, of the State of Hawaii Constitution mandates that "[e]ach law shall embrace but one subject, which shall be expressed in its title". The title of this measure is "RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT", and the Department of the Attorney General has raised concerns that previous amendments to the measure, which reestablishes the Hawaii Community Development Authority as the "Hawaii Community Development Authorities", could be construed as violating that constitutional provision, since development districts located outside of Hilo and controlled by the Hawaii Community Development Authority could be impacted.

Accordingly, to address those concerns, your Committee has amended this measure by restoring it to the form in which it was originally introduced as S.B. No. 1292, which established the Hilo community economic district and a revolving fund to be used for the district's redevelopment.



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 S.B. No. 1292, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1292, S.D. 2.

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



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JILL N. TOKUDA, Chair



