

STAND. COM. REP. NO.

1248

Honolulu, Hawaii

MAR 19 2019

RE: H.B. No. 1402
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
H.B. No. 1402, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE COMMUNITY-BASED ECONOMIC
DEVELOPMENT PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the
micro enterprise assistance program on Hawaiian home lands
subaccount within the Hawaii community-based economic development
revolving fund to provide grants and loans through the micro
enterprise assistance program to qualified native Hawaiian
entities.

Your Committee received testimony in support of this measure
from the Council for Native Hawaiian Advancement, Sovereign
Council of Hawaiian Homestead Associations, and one individual.
Your Committee received comments on this measure from the
Department of Budget and Finance; Department of the Attorney
General; Department of Business, Economic Development, and
Tourism; and Department of Hawaiian Home Lands.

Your Committee finds that when Hawaii was admitted to the
Union, the Hawaii Admission Act of 1959 transferred complete
responsibility of the Hawaiian Homes Commission Act and Hawaiian
home lands from the federal government to the State. One of the



goals of the Hawaiian Homes Commission Act that the State agreed to undertake is to enable native Hawaiians to live self-sufficient lives on the Hawaiian home lands. This measure is intended to help achieve that goal by providing grants and loans to support commercial and community projects being initiated on Hawaiian homelands.

Your Committee understands the constitutional concerns raised by the Attorney General, however your Committee also notes the position of proponents of this measure that the State's obligation under the Hawaiian Homes Commission Act remains in effect today and, while the State has traditionally used the Department of Hawaiian Home Lands to fulfill this obligation, it is not the only agency at the State's disposal to meet its responsibilities. Your Committee further notes that the Department of Business, Economic Development, and Tourism has experience administering programs similar to the one contemplated in this measure and has authority to contract with outside sources for program administration as it deems necessary.

Your Committee has amended this measure by:

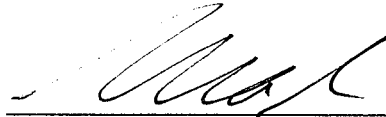
- (1) Establishing the micro enterprise assistance program on Hawaiian home lands revolving fund in lieu of creating a subaccount within the Hawaii community-based economic development revolving fund;
- (2) Clarifying that loans and grants under this measure may be provided to qualified native Hawaiians, native Hawaiian-controlled homestead associations, and Hawaiian homestead associations' designated community development corporations;
- (3) Removing references to the Hawaiian home lands development program as a source of monies for the micro enterprise assistance program on Hawaiian home lands revolving fund; 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 Hawaiian Affairs that is attached to this report,



your Committee is in accord with the intent and purpose of H.B. No. 1402, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1402, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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

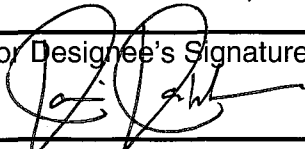


MAILE S.L. SHIMABUKURO, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1402, HDI	HWN, WAM	03/14/19		
<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
SHIMABUKURO, Maile S.L. (C)	✓			
KAHELE, Kaiali'i (VC)	✓			
IHARA, Jr., Les				✓
KEOHOKALOPE, Jarrett				✓
FEVELLA, Kurt	✓			
TOTAL	3			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes