

STAND. COM. REP. NO.

167

Honolulu, Hawaii

February 8, 2019

RE: H.B. No. 535

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 535 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PEARL HARBOR FLOATING DRYDOCK, LLC,"

begs leave to report as follows:

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Pearl Harbor Floating Drydock, LLC, for the construction of a purpose-built floating drydock at Pearl Harbor to service submarines and surface ships.

The Chamber of Commerce Hawaii, Pacific Marine, and two concerned individuals testified in support of this measure. A concerned individual testified in opposition to this measure. The Department of Budget and Finance and Department of the Attorney General provided comments on this measure.

Your Committee notes that special purpose revenue bonds are financing tools, rather than public resources. These bonds are used to assist statutorily designated categories of private entities in raising funds to purchase or build capital facilities that are expected to generate revenues with which to repay the bondholders. These bonds, unlike general obligation bonds, are not general obligations of the State and are not secured directly

HB535 HD1 HSCR EDB HMS 2019-1663



or indirectly by the general credit of the State, and no moneys other than the revenues pledged to the repayment of these bonds may be used to pay them.

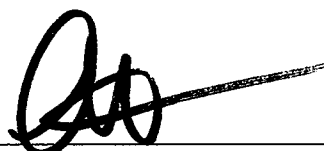
Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2112; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should the Committee on Finance deliberate this measure further, your Committee on Economic Development & Business respectfully requests that it consider inserting a bond authorization of \$60,000,000.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 535, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The THIRTIETH Legislature **HSCR 167**

**Record of Votes of the Committee on Economic Development & Business**

<b>Bill/Resolution No.:</b> <b>HB 535</b>	<b>Committee Referral:</b> <b>EDB, FIN</b>	<b>Date:</b> <b>2-1-19</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. ELI, Stacelynn K.M.	✓			
4. ICHIYAMA, Linda				✓
5. JOHANSON, Aaron Ling	✓			
6. QUINLAN, Sean				✓
7. YAMASHITA, Kyle T.	✓			
8. MATSUMOTO, Lauren	✓			
<b>TOTAL (8)</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> _____ <i>(Signature: Lisa Kitagawa)</i>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				