

STAND. COM. REP. NO.

1515

Honolulu, Hawaii

MAR 21 , 2019

RE: S.B. No. 77
S.D. 3
H.D. 1

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

Sir:

Your Committees on Energy & Environmental Protection and Water, Land, & Hawaiian Affairs, to which was referred S.B. No. 77, S.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS,"

beg leave to report as follows:

The purpose of this measure is to provide financing options for the State to select from to satisfy the federal requirement that thirty-five percent of the Ala Wai Flood Risk Management Project (Project) costs be funded by a local entity. The financing options included in this measure are:

- (1) Authorizing the State to use a financing agreement and issue certificates of participation as an alternative to expending general revenues for the Project; or
- (2) Appropriating funds to the Department of Budget and Finance for the Project.

The Office of the Governor, Department of Design and Construction of the City and County of Honolulu, and an individual supported this measure. The Diamond Head/Kapahulu/St. Louis Heights Neighborhood Board No. 5, Halau Ku Mana Public Charter School, Manoa Branch of The Outdoor Circle, and a few individuals

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opposed this measure. The Department of Budget and Finance submitted comments.

Your Committees have amended this measure by:

- (1) Removing the option which authorizes the State to use a financing agreement and issue certificates of participation for the Project, and instead explicitly authorizing the Department of Budget and Finance to enter into a financing agreement in an amount not to exceed \$125,000,000 to fund the local match for the Project;
- (2) Authorizing general fund appropriations for fiscal year 2019-2020 and fiscal year 2020-2021; and
- (3) Removing the provision which prohibited the expenditure of general funds if a financing agreement for the Project is entered into.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 77, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 77, S.D. 3, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Water, Land, & Hawaiian
Affairs,

Ryan I. Yamane

For

RYAN I. YAMANE, Chair

Nicole E. Lowen

NICOLE E. LOWEN, Chair



