

Honolulu, Hawaii

FEB 18 , 2022

RE: H.B. No. 2088
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2088, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FINANCING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Create the Environmental and Economic Development Revolving Loan Fund under the administration of the Hawaii Green Infrastructure Authority;
- (2) Allow property owners to finance qualifying improvements through a non-ad valorem property assessment; and
- (3) Appropriate funds to provide loans or other financial assistance to eligible property owners.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development & Tourism; Department of Health; Department of Hawaiian Home Lands; Hawaii Green Infrastructure Authority; University of Hawai'i Sea Grant College Program; Hawaii Solar Energy Association; PACENation; Rotary Club Hanalei Bay; Petros PACE Finance; Nuveen Green Capital; WAI: Wastewater Alternatives & Innovations; Hawai'i Reef and Ocean Coalition; and five individuals. Your Committee



received testimony in opposition to this measure from the Hawaii Bankers Association and Hawaii Credit Union League. Your Committee received comments on this measure from the Department of the Attorney General, Department of Budget and Finance, Department of Commerce and Consumer Affairs, Department of Budget and Fiscal Services of the City and County of Honolulu, and Tax Foundation of Hawaii.

Your Committee finds that residents and businesses in the State have various capital-heavy opportunities to mitigate health, environmental, or energy risks. These include upgrading or converting cesspools to Director of Health-approved wastewater systems, fortifying buildings and structures to withstand wind threats from hurricanes and windstorms, installing clean energy technologies, and many other improvements. Your Committee further finds that alternative methods of financing are necessary to further incentivize these projects that protect the health and safety of the public. This measure can help unlock a new market for commercial banks and other private capital providers to help the State address a number of these critical initiatives.

Your Committee has amended this measure by:

- (1) Clarifying that cesspools may be upgraded or converted to Director of Health-approved wastewater systems, rather than just to septic systems or aerobic treatment units;
- (2) Removing language would have authorized the Hawaii Green Infrastructure Authority to issue revenue bonds;
- (3) Specifying that delinquent liens do not trigger the acceleration of the Property Assessed Financing Assessment Contract;
- (4) Clarifying that the on-bill repayment mechanism can only be used as approved by the Public Utilities Commission under the Green Energy Money Saver On-Bill Program; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to



this report, your Committee is in accord with the intent and purpose of H.B. No. 2088, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2088, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LINO JOHANSON, Chair



