STAND. COM. REP. NO. **597** -22

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 \$aver 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,

ADMITTAL TOURNSON Chair

State of Hawaii



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Committee Referral: Date:			
HB 2088, HD1	EFP, CPC,	FIN	2-16-22	-
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold				
☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	V			
2. KITAGAWA, Lisa (VC)	V			
3. AQUINO, Henry J.C.				
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4. HAR, Sharon E.				
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5. HASHEM, Mark J.				
6. KONG, Sam Satoru		. /		
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7. MIZUNO, John M.		2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3		
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9. ONISHI, Richard H.K.	and the second s	V	·	
10. TARNAS, David A.	V			
11. MATSUMOTO, Lauren				
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TOTAL (11)	<u>8</u>	3	0	0
The recommendation is: Adopted Not Adopted				
If joint referral, did not support recommendation. committee acronym(s)				
Wise Chairle on designations & A Roles to AMAR J				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				