STAND. COM. REP. NO.

, 2021

Honolulu, Hawaii

FEB 0 8

RE: H.B. No. 240

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 240 entitled:

"A BILL FOR AN ACT RELATING TO A BANK OF THE STATE OF HAWAII,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Bank of the State of Hawaii Working Group to propose legislation to establish a state-operated Bank of the State of Hawaii; and
- (2) Appropriate funds.

Your Committee received testimony in support of this measure from the Big Island Grown Dispensaries, Hawai'i Cannabis Industry Association, Young Progressives Demanding Action, Progressive Democrats of Hawaii, and ten individuals. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance, Hawaii Credit Union League, and Hawaii Bankers Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that as the State faces economic challenges, it may be necessary to analyze and consider

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alternatives to the existing structure of financial institutions in Hawaii. Establishing a working group to develop proposed legislation on the establishment of a state-operated bank in Hawaii provides a first step in finding these alternatives.

Your Committee has amended this measure by:

- (1) Amending the composition of the Bank of the State of Hawaii Working Group;
- (2) Deleting language related to an interim report and instead requiring the Working Group to submit a report to the Legislature by January 1, 2022;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) 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 Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 240, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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

SEAN OUINLAN, Chair

## State of Hawaii House of Representatives The Thirty-first Legislature HSCR 33

## **Record of Votes of the Committee on Economic Development**

HB 240 ECD	CPC, FI	N Date:	2/3/2	-
θ The committee is reconsidering its previous decision				
The recommendation is to: $\theta$ Pass, unamended (as is) $\theta$ Pass, with amendments (HD) $\theta$ Hold $\theta$ Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)				
2. HOLT, Daniel (VC)	<b>√</b>			
3. BELATTI, Della Au				
J. DELATTI, Della Au	7			
4. KOBAYASHI, Dale T.	<b>V</b>	<u> </u>		
5. ONISHI, Richard H.K.				
6. SAYAMA, Jackson D.	<b>√</b>			
7. TAKAYAMA, Gregg				
7. TARATAMA, Gregg				
8. OKIMOTO, Val				
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TOTAL (8)  The recommendation is:  (b) Adopted (f) joint referral,	θ Not Adopte	did not suppo	C rt recommendation	<i>O</i>
TOTAL (8)  The recommendation is:  (b) Adopted (f) joint referral,		did not suppo		<i>O</i>