

STAND. COM. REP. NO.

2548

Honolulu, Hawaii

FEB 18 2022

RE: S.B. No. 3302

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Energy, Economic Development, and Tourism and Agriculture and Environment, to which was referred S.B. No. 3302 entitled:

"A BILL FOR AN ACT RELATING TO GREEN INFRASTRUCTURE,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Hawaii Green Infrastructure Authority to:
 - (A) Establish an at- or below-market interest loan program to provide financial assistance to certain parties for certain green infrastructure improvements; and
 - (B) Authorize property assessed financing through various mechanisms, including but not limited to non-ad valorem special tax assessments and property assessed financing assessment contracts;
- (2) Creates the Environmental and Economic Development Revolving Loan Fund; and
- (3) Appropriate funds to provide loans or other financial assistance to eligible property owners and for other allowable purposes of the Environmental and Economic



Development Revolving Loan Fund, including implementation costs.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Health; Department of Hawaiian Home Lands; Hawaii Green Infrastructure Authority; CleanFund Commercial PACE Capital, Inc.; Hawaii Solar Energy Association; WAI: Wastewater Alternatives & Innovations; Hawai'i Reef and Ocean Coalition; Surfrider Foundation; and Petros PACE Finance. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Budget and Finance, Department of the Attorney General, Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, and the Department of Budget and Fiscal Services of the City and County of Honolulu.

Your Committees find that this measure seeks to attract private capital investments to help reduce the number of cesspools, increase the resiliency of residential homes and commercial property, and support the conversion to clean energy across the State.

Accordingly, your Committees have amended this measure by:

- (1) Inserting amendments recommended by HGIA, which include:
 - (A) Clarifying:
 - (i) The counties' right to establish a similar property assessed financing program and their role in collecting non-ad valorem special tax assessments;
 - (ii) Provisions on the recordation and notice of the property assessed financing assessment contracts and lien parity; and
 - (iii) Various definitions;

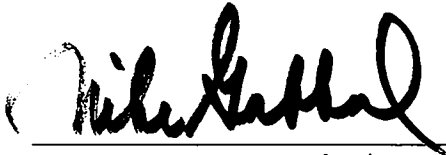


- (B) Specifying:
- (i) The determinations that property assessed financing lenders must make before entering into assessed financing assessment contracts for commercial properties; and
 - (ii) The duties of lienholders prior to entering into assessed financing assessment contracts;
- (C) Elaborating on the provisions that apply to commercial and residential properties; and
- (D) Defining "property assessed financing program";
- (2) Amending language to ensure that ratepayer funds are not used to fund or guarantee the Environmental and Economic Development Loan Program or Environmental and Economic Development Revolving Loan Fund;
 - (3) Replacing all references to upgraded or converted cesspools with Director of Health-approved wastewater systems;
 - (4) Inserting an effective date of July 1, 2024; and
 - (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

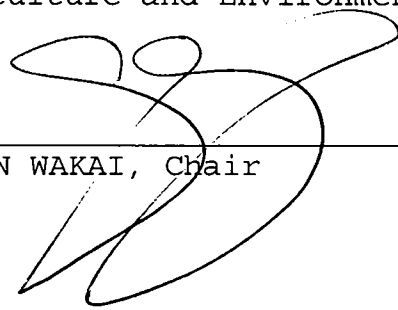
As affirmed by the records of votes of the members of your Committees on Energy, Economic Development, and Tourism and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3302, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3302, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Energy, Economic
Development, and Tourism and
Agriculture and Environment,



MIKE GABBARD, Chair



GLENN WAKAI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i


Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* SB 3302	Committee Referral: EET/AEN, WAM	Date: 2/14/22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris				✓
RIVIERE, Gil	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Bennette E. Misalucha</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:
SB 3302	EET (AEN) WAM	02/14/22
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
GABBARD, Mike (C)	/	
NISHIHARA, Clarence K. (VC)		/
ACASIO, Laura	/	
RHOADS, Karl	/	
FEVELLA, Kurt	/	
TOTAL	4	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

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