

STAND. COM. REP. NO. 146

Honolulu, Hawaii

FEB 10 2023

RE: S.B. No. 1101

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1101 entitled:

"A BILL FOR AN ACT RELATING TO TAX INCREMENT BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to conform the state debt limit statements law to include tax increment bonds upon the ratification of a constitutional amendment authorizing the use of such bonds and excluding such bonds from determinations of the counties' funded debt.

Your Committee received testimony in support of this measure from the Department of Transportation and Office of Planning and Sustainable Development. Your Committee received comments on this measure from the Department of the Attorney General and Tax Foundation of Hawaii.

Your Committee finds that tax increment financing is a useful tool to help finance regional public infrastructure to facilitate transit-oriented development on state and private lands. It allows a portion of property taxes in excess of a base assessed value to be dedicated to finance costs of a project through issuance of bonds. This measure will amend the state debt limit statement law to authorize tax increment financing.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your



Committee is in accord with the intent and purpose of S.B. No. 1101 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



