STAND. COM. REP. NO. **889** -06

Honolulu, Hawaii

Monh3, 2006

RE: H.B. No. 2878 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2878 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST TRADEWINDS FOREST PRODUCTS, LLC,"

begs leave to report as follows:

The purpose of this bill is to diversify Hawaii's economy by authorizing the issuance of special purpose revenue bonds for Tradewinds Forest Products, LLC, to process eucalyptus timber on the Big Island by constructing a veneer mill and cogeneration facility.

Tradewinds Forest Products, LLC, and a concerned individual testified in support of this bill. The Department of Budget and Finance (B&F) provided comments.

B&F indicated that under federal tax law, most of the project may not qualify for financing on a tax-exempt basis, and the portions of the project that may qualify will be subject to a \$10,000,000 financing limit. Moreover, qualifying the project for tax-exempt financing will depend on a detailed legal analysis of the engineering schematics and components of the proposed project.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2878, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2878, H.D. 1.

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

DWIGHT TAKAMINE, Chair

## State of Hawaii House of Representatives The Twenty-third Legislature

J45CR 889

## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: 3HB 2878	Date:	3-	1.06	
Committee Referral:	☐ The committee is reconsidering its previous decision on the measure.			
EDB, FIN  The recommendation is to:  Pass, unamended  Pass, with amendments				
☐ Hold ☐ Recommit				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	V			
2. KAWAKAMI, Bertha C. (VC)				
3. CARROLL, Mele				
4. CHONG, Pono	~	erresemble syrviciossemble dell'erres dell'es		
5. EVANS, Cindy	•			
6. LEE, Marilyn B.	V	Standardu Shen Massar 21,44 eshilik Ba		пасанна мастом съще, жъл сривале
7. MAGAOAY, Michael Y.				
8. NAKASONE, Bob	~		acamen i meneralak malabisak da	
9. NISHIMOTO, Scott Y.				
10. TANAKA, Kameo	~			en skilosen a Lagrago (b. 191
11. TSUJI, Clift				
12. WAKAI, Glenn			o, produktus ar 14 denarus Lapearus da	
13. YAMANE, Ryan I.				
14. YAMASHITA, Kyle T.	V			
15. MEYER, Colleen Rose	•			<i>/</i>
16. MOSES, Mark S.	~			aga, kadagaan harmada sanda ba
17. PINE, Kymberly	~			
18. STEVENS, Anne V.				
TOTAL	15			3
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)  Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				