STAND. COM. REP. NO. 2154

Honolulu, Hawaii

Feb. 16

, 2006

RE:

S.B. No. 2899

S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Transportation and Government Operations, to which was referred S.B. No. 2899 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to restore the exemption from the procurement code for the issuance of special purpose revenue bonds for health care facilities, manufacturing enterprises, processing enterprises, industrial enterprises, and energy projects, on the basis that no public moneys are involved in issuing special purpose revenue bonds.

Your Committee received testimony in support of this measure from the Department of Budget and Finance (B&F), the State Procurement Office, Hawaiian Electric Company, Inc., and Hawaii Pacific Health.

The basis for this exemption is that no public moneys are involved in the issuance of special purpose revenue bonds (SPRBs). Even the fees and costs involved in the issuance of SPRBs and the administration of loan programs are borne by the borrower. Vendors, if any, are hired and paid by the borrower. Should the State incur any costs whatsoever in the issuance of a SPRB, the borrower is required to reimburse the State for all such amounts.

Your Committee has amended this measure on the recommendation of B&F to include within the exemption the issuance of SPRBs to assist early childhood education and care facilities serving the

general public and private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities serving the general public.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2899, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Transportation and Government Operations,

2006-1192 SSCR SMA.doc

The Senate Twenty-Third Legislature State of Hawaii

Record of Votes of the Committee on Transportation and Government Operations (Bills and Resolutions)

Measure:* SB 2899	Committee Referral:	Date:	2/6/06	6
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:				
The Recommendation is to:				
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
INOUYE, Lorraine R. (C)				. Parlanda a como de
ESPERO, Will (VC) BAKER, Rosalyn H.				
HEE, Clayton				
KANNO, Brian			Tuber as a re-	~
MENOR, Ron				
WHALEN, Paul			· · · · · · · · · · · · · · · · · · ·	
				49 <u></u>
	A Section 1985 Annual Contraction of the Contractio		ar Sar Mga Ng ar sair ballig na	
See e signification de la significación de la				
TOTAL	4			3
Recommendation:	□ N	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				

^{*}Do not list more than one measure per Record of Votes.