STAND. COM. REP. NO. 2102

Honolulu, Hawaii

FOD. 15 , 2006

RE: S.B. No. 2996

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

Sir:

Your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology, to which was referred S.B. No. 2996 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose of this measure is to exempt the Hawaii Strategic Development Corporation (HSDC) from the procurement code.

Your Committees received testimony in support of this measure from HSDC. Testimony in opposition was received from the Department of Accounting and General Services, State Procurement Office, and American Council of Engineering Companies.

The Hawaii Strategic Development Corporation was created to address the critical shortage of seed and venture capital resources in the State.

Your Committees find that the nature of providing venture capital investment financing is not "procurement." In addition, the corporation needs to be able to respond very quickly when funds come on the market, or be precluded from doing any investment for perhaps several years. Therefore, your Committees find this exemption to be appropriate.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B.

No. 2996 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and Government Operations and Media, Arts, Science, and Technology,

CAROL FUKUNAGA

UNAGA, Chai

LORRAINE R. INOUYE, Chair

The Senate Twenty-Third Legislature State of Hawaii

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

Measure:* SB 2996	Committee Re	eferral: (MAT, V	VAM Date:	2/13/0	06			
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)	a ta mata	✓						
ESPERO, Will (VC)		/						
BAKER, Rosalyn H.				 	Y			
HEE, Clayton KANNO, Brian	- Allerin		. *					
MENOR, Ron								
WHALEN, Paul								
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Recommendation: Adopted Not Adopted								
Chair's or Designee's Signature:								
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^{*}Do <u>not</u> list more than one measure per Record of Votes.

The Senate Twenty-Third Legislature State of Hawaii

Record of Votes of the Committee on Media, Arts, Science and Technology (Bills and Resolutions)

Measure:* SB 2996	Committee Re	ferral: TuMAW		Date: 2/14/2006				
The committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is to:								
Pass, unamended [(2312)								
Members		Ayes	Ayes(WR)	Nays	Excused			
FUKUNAGA, Carol (C)		√						
IGE, David Y. (VC)	· · · · · · · · · · · · · · · · · · ·	· V						
ENGLISH, J. Kalani	···				V			
IHARA, Jr., Les					√			
HOGUE, Bob	4	✓						
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TOTAL		3)			
Recommendation: Adopted Not Adopted								
Chair's or Designee's Signature:								
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^{*}Do <u>not</u> list more than one measure per Record of Votes.