Honolulu, Hawaii

Fe 4 20, 2009

RE: H.B. No. 1015

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred H.B. No. 1015 entitled:

"A BILL FOR AN ACT RELATING TO OBLIGATIONS OF THE DEPARTMENT OF HAWAIIAN HOME LANDS TRUST FUND,"

begs leave to report as follows:

The purpose of this bill is to enable the Department of Hawaiian Home Lands (DHHL) to begin housing projects without having the full cost of the project on hand, by amending the law controlling trust fund expenditures to allow DHHL to incur obligations exceeding the amount in the DHHL trust fund when:

- (1) The trust fund will be receiving moneys enabling payment of the entire obligation within a reasonable time; and
- (2) The expenditure is approved by the Governor.

The Department of Accounting and General Services and DHHL testified in support of this bill.

Current law requires State-funded housing projects to have full capital financing before being allowed to proceed. However, as DHHL often initiates projects that generate income streams through the selling or leasing of completed homes or improved lands, allowing them to proceed with building phases of a project with only those funds needed to complete that particular phase appears to be reasonable. This change in the law would reduce DHHL project costs and also would bring DHHL's development of

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projects more in-line with private industry standards that allow contractors to be bonded and to proceed with construction projects in phases.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1015 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Hawaiian Affairs,

MELE CARROLL Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature



Record of Votes of the Committee on Hawaiian Affairs

Bill/Resolution No.:	Committee Referral: Date:			
HB 1015	HAW, FIN		2-18-09	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
HAW Members	Ayes	Ayes (WR)	Nays	Excused
1. CARROLL, Mele (C)				
2. SHIMABUKURO, Maile S.L. (V	(C)			
3. BELATTI, Della Au				
4. BERTRAM, Joe, III				_
5. BROWER, Tom				
6. MIZUNO, John M.				
7. NISHIMOTO, Scott Y.				
	State of the state			
8. YAMANE, Ryan I.				
9. WARD, Gene				•

TOTAL (9)	2	0	0	2
The recommendation is: Adopted Not Adopted did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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