STAND. COM. REP. NO. 65

Honolulu, Hawaii February 5, 2013

RE: H.B. No. 574 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Veterans, Military, & International Affairs, & Culture and the Arts, to which was referred H.B. No. 574 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC FUNDS,"

begs leave to report as follows:

The purpose of this measure is to find innovative ways to fund capital improvement projects and create jobs in Hawaii by taking advantage of loans provided under the Immigrant Investor Pilot Program of the federal Immigration and Nationality Act, also known as EB-5 loans. Specifically, this measure would set aside general excise tax revenues that are equal to the principal and interest payable during each fiscal year for any EB-5 loan that financed a state project to repay that loan.

The University of Hawaii and Hawaiian Islands Regional Center, LLC, testified in support of this measure. The Department of Budget and Finance testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Veterans, Military, & International Affairs, & Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 574, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Veterans, Military, & International Affairs, & Culture and the Arts,

K. MARK TAKAI, Chair



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

## Record of Votes of the Committee on Veterans, Military, & International Affairs, & Culture and the Arts

Bill/Resolution No.:  HB 5 74	Committee Referral:	Date:	*	13
☐ 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)				
VMI Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAI, K. Mark (C)	V			
2. ITO, Ken (VC)	· ·			
3. BROWER, Tom				
4. CACHOLA, Romy M.				
5. CHOY, Isaac W.	V			
6. OHNO, Takashi	V			
7. ONISHI, Richard H.K.	V			
8. TAKAYAMA, Gregg	V			
9. TSUJI, Clift	V			
10. MCDERMOTT, Bob				
TOTAL (10)	10			
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) – Chief Clerk's Office Duplicate (Pink) – HMSO				