STAND. COM. REP. NO. 34

Honolulu, Hawaii **FCANAY 4**, 2013 RE: H.B. No. 576 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. 576 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to find innovative ways to fund capital improvement projects of the Hawaii Health Systems Corporation by taking advantage of loans provided under the Immigrant Investor Pilot Program of the Immigration and Nationality Act, also known as EB-5 loans. Specifically, this measure:

- Allows the Hawaii Health Systems Corporation to obtain a loan from a foreign national under the EB-5 program to fund a project of the Corporation;
- (2) Requires the Corporation to obtain the written approval of the Governor before executing any agreement to obtain an EB-5 loan;
- (3) Stipulates that the Corporation only expend the proceeds of an EB-5 loan for a project if the Legislature has made an appropriation of funds in the amount of the loan for that project; and



STAND. COM. REP. NO. 34 Page 2

(4) Requires the Corporation to request the amount necessary to repay the EB-5 loan in its annual budget submitted to the Governor.

The Hawaiian Islands Regional Center, LLC testified in support of this bill. Hawaii Health Systems Corporation 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. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 576, H.D. 1, and be referred to the Committee on Health.

HB576 HD1 HSCR VMI HMS 2013-1653

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

K. MARK TAKAI, Chair

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## 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.:Committee Referral:Date:HB576VMI HLT FIN130/13			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)				
2. ITO, Ken (VC)				
3. BROWER, Tom				
4. CACHOLA, Romy M.	i			
5. CHOY, Isaac W.				
6. OHNO, Takashi	V			
7. ONISHI, Richard H.K.	4			
8. TAKAYAMA, Gregg			- 12 - 14	
9. TSUJI, Clift				
10. MCDERMOTT, Bob				
			<u> </u>	
	10			
The recommendation is:  Adopted  Not Adopted    If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				