STAND. COM. REP. NO. 1509

Honolulu, Hawaii

April 5 , 2013

RE: S.B. No. 403

S.D. 2 H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 403, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BONDS,"

begs leave to report as follows:

The purpose of this measure is to provide greater flexibility to the Office of Hawaiian Affairs in issuing revenue bonds and expending the revenues derived therefrom. Specifically, this measure, among other things:

- (1) Provides that the interest on revenue bonds issued by the Board of Trustees of the Office of Hawaiian Affairs may be excluded from gross income for federal income tax purposes in accordance with federal law;
- (2) Expands the purposes for which the revenues from the issuance of bonds may be expended, including by authorizing the Office of Hawaiian Affairs to undertake and fund loan programs;
- (3) Adds new and clarifies existing definitions related to the issuance and purpose of revenue bonds; and
- (4) Allows the Board of Trustees of the Office of Hawaiian Affairs to refund outstanding bonds without further authorization from the Legislature.

SB403 HD2 HSCR FIN HMS 2013-3049

The Association of Hawaiian Civic Clubs and a few concerned individuals testified in support of this measure. The Center for Hawaiian Sovereignty Studies opposed this measure. The Department of Budget and Finance and Office of Hawaiian Affairs offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 403, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 403, S.D. 2, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 403, SD2, HD1	Committee Referral: OMH, FIN		ate: 3/27/13	
☐ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand				
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee		·		
11. ONISHI, Richard H.K.				
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane		*****		
14. WOODSON, Justin H.		,		
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth				
17. WARD, Gene				_
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TOTAL (17)	15			2
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				