

Honolulu, Hawaii

MAR 24 2016

RE: H.B. No. 1397

H.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Economic Development, Environment, and
Technology and Housing, to which was referred H.B. No. 1397,
H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO NEW MARKET TAX CREDITS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Add the definition of "qualified community development entity" to allow financing to be provided by the Hawaii Community-Based Economic Development Technical and Financial Assistance program through a structure that facilitates the use of federal new markets tax credits;
- (2) Expand the methods of delivering funding to a project by providing loans to capitalize a qualified community development entity and to provide guarantees or other credit enhancements that will facilitate private lenders' participation in new markets tax credit financing; and
- (3) Adjust loan maximums and establish guarantees or credit enhancements to reflect current available funding and facilitate monetization of existing project assets for purposes of new markets tax credit financing.

Your Committees received testimony in support of this measure
from Lānaʻi Community Health Center, Pacific Growth Associates, and



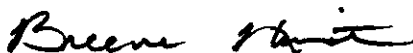
La'i'opua 2020. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism and Department of Taxation.

Your Committees find that the Hawaii Community-Based Economic Development Technical and Financial Assistance program in the Department of Business, Economic Development, and Tourism acts as a functional, service-oriented agency that is readily available to provide business counseling, financial backing, and general support to the business community, nonprofit organizations, and other entrepreneurs to foster real community-based economic development for the various products and services demonstrating and embracing Hawaii's diversified economy.

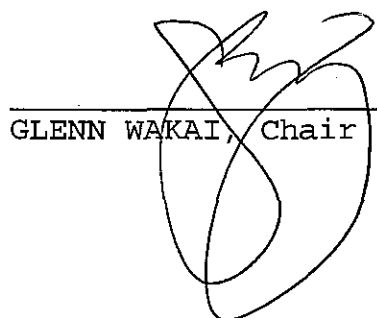
Your Committees further find that there are various programs provided by the federal government, nonprofit organizations, and foundations, as well as opportunities provided by public-private partnerships, that further support community-based economic development. The project funding provided by the program will be made more efficient and more effective if provided in the form most compatible with these programs and in the manner most suitable to optimize all sources of funding; therefore, some modifications are necessary to the types of financial products offered by the program and the manner in which those products are provided, along with an increase in the total amount that may be provided for an individual project and borrower.

As affirmed by the records of votes of the members of your Committees on Economic Development, Environment, and Technology and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1397, H.D. 2, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development, Environment, and
Technology and Housing,



BREENE HARIMOTO, Chair

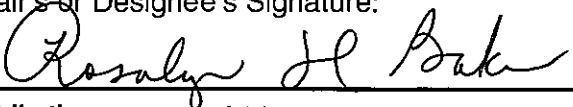


GLENN WAKAI, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Economic Development, Environment, and Technology
EET

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1297 HD2	EET/HOU, WAN	3/22/16
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313
Members	Aye	Aye (WR)
Nay	Excused	
WAKAI, Glenn (C)	✓	
SLOM, Sam (VC)		✓
BAKER, Rosalyn H.	✓	
ESPERO, Will	✓	
GALUTERIA, Brickwood		✓
IHARA, Jr., Les	✓	
KEITH-AGARAN, Gilbert S.C.	✓	
RUDERMAN, Russell E.		✓
THIELEN, Laura H.	✓	
TOTAL	6	— — 3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
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*Only one measure per Record of Votes

The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* HB1397, HD2	Committee Referral: EET/HOU, WAM	Date: 3/23/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
HARIMOTO, Breene (C)	✓			
GALUTERIA, Brickwood (VC)				✓
GREEN, Josh				✓
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn	✓			
SLOM, Sam	✓			
TOTAL	4	0	0	3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

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