STAND. COM. REP. NO.

Honolulu, Hawaii

March 2

, 2017

RE: H.B. No. 644

H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 644, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to foster community-based economic development by modifying the types and manner of provision of financial product that may be offered by the Hawaii community-based Technical and Financial Assistance Program.

Specifically, this measure:

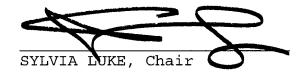
- (1) Adds the definition of "qualified community development entity" to allow financing to be provided by the State through a structure that facilitates the use of federal new markets tax credits;
- (2) Expands the methods of delivering funding to a project by providing loans to capitalize a qualified 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) Adjusts loan maximums and establishes guarantees or credit enhancements to reflect current available funding and facilitates monetization of existing project assets.

Pacific Growth Associates testified in support of this measure. The Department of Business, Economic Development and Tourism, Department of Taxation, and Tax Foundation of Hawaii provided comments.

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 H.B. No. 644, H.D. 1, and recommends that it pass Third Reading.

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



State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: Committee		Date	2/22/	17
HB (644, HD) EDD) FIN 2/22/17 θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)				
T also short form with the recomment for facility public hearing (recomment)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)	/			
3. CACHOLA, Romy M.		10.00		
4. CHOY, Isaac W.				·/
5. DeCOITE, Lynn			rite (f. 1) Britan Arron (f. 1)	
6. GATES, Cedric Asuega	✓	***		
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.				
12. NAKAMURA, Nadine K.				
13. TOKIOKA, James Kunane	/			
14. QUINLAN, Sean	V			
15. YAMASHITA, Kyle T.				
16. TUPOLA, Andria P.L.				
17. WARD, Gene				
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TOTAL (17)	16	0	0	١
The recommendation is: θ Adopted θ Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				
Zupricute (Tanon) Cinet Cloth's Office Dupricute (Tink) - Invito				