CONFERENCE COMMITTEE REP. NO.

Honolulu, Hawaii

## APR 2 8 2017

RE: S.B. No. 407 S.D. 1 H.D. 1 C.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 407, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COUNTIES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to broaden the types of shortterm investment options for the counties, including certain money market funds.

Your Committee on Conference finds that ensuring the financial strength of the counties is important for public welfare. One means of supporting the financial strength of the counties is to allow the counties to make certain short-term investments. While the counties currently have authority to make some investments, it is important and sensible to expand the investment options of the counties so that they more closely mirror the investment options afforded to the State. However, to better protect the public, there should also be



in place safeguards to ensure quality investments. Accordingly, this measure:

- Allows the director of finance of each county to make short-term investments in additional types of bonds and notes, thereby providing the county directors of finance with similar investment authority as the state Director of Finance;
- (2) Requires that for investments in bonds of any improvement district, the investments be of investment grade or supported by the general obligation pledge of the county in which the improvement district is located; and
- (3) Prohibits investment or the entering into any agreement which would or may require the county to make future payments, such as swap agreements, hedge agreements, or other similar agreements.

Your Committee on Conference has amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 407, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 407, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

SYLVIA LUKE

Chair

ON THE PART OF THE SENATE

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CLARENCE K. NISHIHARA Chair

BRIAN T. TANIGUCHI

BRIAN T. TANIGUCH Co-Chair



## Hawaii State Legislature



## **Record of Votes of a Conference Committee**

Bill / Concurrent Resolution No.: SB 407, SD 1, HD 1				Date/Time: 4/26/17 2:40 pm					
The recommendation of the H	louse and S	Senate	mana	gers					
The Committee is reconsideri	ng its prev	ious de	ecisio	n.					
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure				The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.					
Senate Managers	A	WR	N	E	House Managers	A	WR	N	Е
NISHIHARA, Clarence K., Chr.	1				LUKE, Sylvia, Chr.	/	Ī	_	
TANIGUCHI, Brian T., Co-Chr.					CULLEN, Ty J.K.				
WAKAI, Glenn				/	TUPOLA, Andria P.L.				/
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$\mathbf{A} = Aye$	$\mathbf{A} = Aye \qquad \qquad \mathbf{W}\mathbf{R} = Aye \text{ with Reservation}$				s $N = Nay$ $E = Excused$				
Senate Recommendation is:				House Recommendation is:					
Adopted Not Adopted				Adopted <b>D</b> Not Adopted					
Senate Lead Chair's or Designee's	Signature	:			House Lead Chair's or Designee's	Signature	;		
Clarena & nishiham									
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