

STAND. COM. REP. NO.

1370

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 256  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 256 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST KEAHOLE HOTEL & SUITES LLC,"

begs leave to report as follows:

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Keahole Hotel & Suites, LLC, with planning, designing, constructing, and equipping hotel facilities at the Ellison Onizuka Kona International Airport at Keahole.

Your Committee received testimony in support of this measure from the Kohala Coast Resort Association. Your Committee received comments on this measure from the Department of Transportation, Department of Budget and Finance, and UNITE HERE! Local 5 Hawaii.

Your Committee finds that the construction of hotel facilities at the Ellison Onizuka Kona International Airport would generate revenue for the State through taxes, sales, and leases, while also creating hundreds of jobs in various sectors such as construction, engineering, and accounting. This measure is necessary to help restore the State's revenues and further develop the Ellison Onizuka Kona International Airport.

2021-2804 SB256 HD1 HSCR HMSO



Your Committee notes the testimony received by UNITE HERE! Local 5 Hawaii, requesting an amendment to ensure that proposed hotel facilities constructed under this measure are operated only by entities that have entered into a valid and binding agreement with the labor organization representing hotel employees.

Your Committee further notes the testimonies received by the Department of Transportation and Department of Budget and Finance regarding federal law requiring that hotels financed with tax-exempt bond proceeds must be either governmentally owned and operated by a governmental unit or certain private entities, and available for use by the general public for short term stays. In addition, your Committee recognizes possible federal and contractual restrictions on how the Airports Division of the Department of Transportation uses airport revenues and that airport revenues would presumably not be available to support this measure. As such, your Committee requests that the aforementioned testimonies be considered as this measure moves through the legislative process.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 256, H.D. 1, and be referred to your Committee on Finance.

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

  
HENRY J.C. AQUINO, Chair



**Record of Votes of the Committee on Transportation**

<b>Bill/Resolution No.:</b> SB256	<b>Committee Referral:</b> TRN, FIN	<b>Date:</b> 3/24/21		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>TRN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. AQUINO, Henry J.C. (C)	X			
2. ILAGAN, Greggor (VC)	X			
3. DeCOITE, Lynn	X			
4. HASHIMOTO, Troy N.	X			
5. KITAGAWA, Lisa	X			
6. NAKAMURA, Nadine K.	X			
7. TAKUMI, Roy M.				X
8. MATSUMOTO, Lauren	X			
<b>TOTAL (8)</b>	7			1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				