STAND. COM. REP. NO. 8391

Honolulu, Hawaii

MAR 2 4 2022

RE: H.B. No. 2085

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committees on Government Operations and Judiciary, to which was referred H.B. No. 2085 entitled:

"A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLE VII, SECTIONS 12 AND 13, OF THE HAWAII CONSTITUTION TO EXPRESSLY PROVIDE THAT THE LEGISLATURE MAY AUTHORIZE THE COUNTIES TO ISSUE TAX INCREMENT BONDS AND TO EXCLUDE TAX INCREMENT BONDS FROM DETERMINATIONS OF THE FUNDED DEBT OF THE COUNTIES,"

beg leave to report as follows:

The purpose and intent of this measure is to propose amendments to the Constitution of the State of Hawaii to expressly provide that the Legislature may authorize political subdivisions to issue tax increment bonds and to exclude tax increment bonds in calculating the debt limit of the political subdivisions.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Planning and Sustainable Development; Department of Planning and Permitting of the City and County of Honolulu; Hawaii Interagency Council for Transit-Oriented Development; Hawaii Community Development Authority; and NAIOP Hawaii. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that having various means of funding capital improvements benefits the State. A diverse financial



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toolkit builds vibrant and resilient communities. Your Committees further find that a lack of clarity in existing law has clouded the potential of tax increment financing, which is a method of capturing value generated from rising real property tax assessments. Accordingly, this measure will benefit the State and its residents, and promote investment in vital community infrastructure, by authorizing the use of tax increment financing.

As affirmed by the records of votes of the members of your Committees on Government Operations and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2085, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

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KARL RHOADS, Chair

Respectfully submitted on behalf of the members of the Committees on Government ations and Judiciary, Oper

SHAR Chair



The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Government Operations GVO

Bill / Resolution No.:*	Committee Referral: Date:								
HB 2085	GVO/JDC, WAM 03/17/22								
The Committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
MORIWAKI, Sharon Y. (C)									
DELA CRUZ, Donovan M. (VC)									
CHANG, Stanley									
GABBARD, Mike									
FEVELLA, Kurt									
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TOTAL		4							
Recommendation:									
Chair's or Designee's Signature DMM UND 7									
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*Only <u>one</u> measure per Record of Votes

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date:					
HB 2085	GVO/JDC, WAM			03-17-22					
The Committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (W	R)	Nay	Excused			
RHOADS, Karl (C)									
KEOHOKALOLE, Jarrett (VC)		~							
ACASIO, Laura		/							
GABBARD, Mike									
KIM, Donna Mercado						/			
LEE, Chris									
FEVELLA, Kurt									
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Recommendation:									
Chair's or Designee's Signature:									
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