

STAND. COM. REP. NO. 150

Honolulu, Hawaii

FEB 10 2023

RE: S.B. No. 1295

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 1295 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,"

begs 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, such as counties, to issue tax increment bonds and to exclude tax increment bonds in calculating the debt limit of the political subdivisions.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Transportation; and Office of Planning and Sustainable Development. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that bonds are one method that counties use to finance infrastructure and to support other county functions. Your Committee further finds that tax increment bonds are bonds, the principal of and interest on which are payable from



and secured solely by all real property taxes levied by a political subdivision such as a county. This measure enables the counties to issue tax increment bonds to raise revenues.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1295, S.D. 1, and be referred to your Committee on Ways and Means.

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



KARL RHOADS, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

**Record of Votes
 Committee on Judiciary
 JDC**

Bill / Resolution No.:*	Committee Referral:	Date:
SB 1295	JDC, WAM	2/7/23

The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton	✓			
TOTAL	5	—	—	—

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes