

STAND. COM. REP. NO. 1011

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1206
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1206, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DEPOSITS OF PUBLIC FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to encourage the development of housing projects in the State.

More specifically, this measure authorizes the Director of Finance to exempt a depository from the requirement to pay all deposits of public funds upon demand, under the condition that the depository has provided loans with below-market interest rates and longer terms for housing projects where all dwelling units are exclusively reserved for owner-occupants who own no other real property and are residents of the State.

Your Committee received written comments on this measure from the Department of Budget and Finance and Department of Commerce and Consumer Affairs.

Your Committee notes the concerns expressed by the Department of Budget and Finance that the measure has the potential to cause substantial portions of the state treasury to become illiquid, which would hinder the State's ability to pay its obligations. The Department of Budget and Finance further stated that the measure could allow financial institutions to withhold the State's

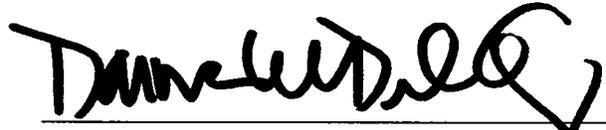


cash on deposit and possibly prevent the payment of state checks, should the Director of Finance grant them an exemption.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1206, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1206, S.D. 2.

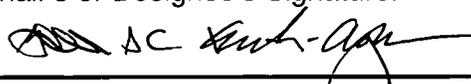
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1206 SDI	Committee Referral: CPN/HOU, WAM	Date: 8/28/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes