

STAND. COM. REP. NO. 2303

Honolulu, Hawaii

FEB 13 2024

RE: S.B. No. 2026

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Housing, to which was referred S.B. No. 2026 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to require the Director of Finance to consider, before the selection of a depository for the state treasury, the beneficial effects to the State of using depositories within the State, including but not limited to lending at favorable terms for the creation of certain affordable housing units.

Your Committees received testimony in support of this measure from two individuals.

Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Department of Budget and Finance, and Hawaii Bankers Association.

Your Committees find that the moneys collected by the State are held in trust for the benefit of the public and thus decisions related to where and how to invest the public treasury concern matters of public policy. Your Committees further find that the Director of Finance is granted the discretion to invest the public treasury with certain depositories, subject to the approval of the Governor and certain statutory requirements. Your Committees find




that because the State is experiencing a housing crisis, depositories that have issued loans with favorable terms to housing developers for the benefit of residents of Hawaii are considered to have benefitted the State. Therefore, this measure will require the Director of Finance to consider the amount of loans with favorable terms that a depository has issued to developers of housing for Hawaii residents when evaluating the beneficial effects to the State of using that depository, in addition to the existing requirements to consider factors such as safety, liquidity, and yield offered on deposits.


Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2026, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2026, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and
Housing,


STANLEY CHANG, Chair


JARRETT KEOHOKALOLE, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <i>SB 2026</i>	Committee Referral: <i>CPN / HOU, WAM</i>	Date: <i>4/31/24</i>		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton	✓			
TOTAL	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Carol Fukunaga</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

