

STAND. COM. REP. NO. 452

Honolulu, Hawaii

**FEB 13 2025**

RE: S.B. No. 69  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Housing, to which was referred S.B. No. 69 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 comments on this measure from the Department of Budget and Finance and Hawaii Bankers Association.

Your Committees find that 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 shortage, creative solutions are needed to incentivize the development of affordable housing. Accordingly, 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 inserting an effective date of July 1, 2050, to encourage further discussion.

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. 69, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 69, 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,

  
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STANLEY CHANG, Chair

  
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JARRETT KEOHOKALOLE, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

Record of Votes  
Committee on Commerce and Consumer Protection  
CPN

Bill / Resolution No.:* <b>SB69</b>	Committee Referral: <b>CPN/HOU, WAM</b>	Date: <b>2/4/25</b>		
<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				✓
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>
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

