

Honolulu, Hawaii  
APR 09 , 2026

RE: S.B. No. 2808  
S.D. 1  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Finance, to which was referred S.B. No. 2808, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE BUDGET,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Defeasement Trust Fund within the Department of Budget and Finance for the defeasement of tax-exempt bonds to allow private use of state facilities financed by tax-exempt bonds;
- (2) Require the Department of Budget and Finance to consult with bond counsel before any defeasement; and
- (3) Appropriate funds in and out of the Defeasement Trust Fund for defeasement of certain tax-exempt bonds.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that allowing state facilities to be used for public and private activities maximizes the benefits these facilities provide to Hawaii residents. Your Committee



further finds that the Internal Revenue Service has previously determined that facilities financed with tax-exempt bonds may not be used for private activities. This measure is intended to promote the full utilization of state facilities by allowing them to be used for private activities through the establishment of a trust fund to address the defeasement of tax-exempt bonds.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2808, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



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CHRIS TODD, Chair



