

EXECUTIVE CHAMBERS

HONOLULU

June 20, 2002

COPY

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2072

Honorable Members  
Twenty-First Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2072, entitled "A Bill for an Act Relating to Social Welfare."

The purpose of this bill is to appropriate \$1,000,000 out of the Emergency Budget and Reserve Fund for the Housing and Community Development Corporation of Hawaii (HCDCH) to provide housing assistance to Hawaii's needy who may have been adversely affected by the events of September 11, 2001.

Although the purpose of this bill is commendable, with the passage of time there is a reduced connection between the September 11, 2001, terrorist attacks and the unemployment rate. In fact, recent data show that the unemployment rate was lower in April 2002 than in the months immediately following September 11. Consequently, there does not appear to be a need to indefinitely extend the emergency assistance grant and loan program that was funded by appropriations out of the Emergency Budget and Reserve Fund by Act 1, Third Special Session Laws of Hawaii 2001.

Furthermore, the housing assistance under this bill could be used by homeowners not only for rental and utility expenses, but also for mortgage payments. Homeowners can negotiate with their mortgage lenders for changes to their mortgage payment plans. The Emergency Budget and Reserve Fund should not be used for mortgage assistance when alternative relief is available.

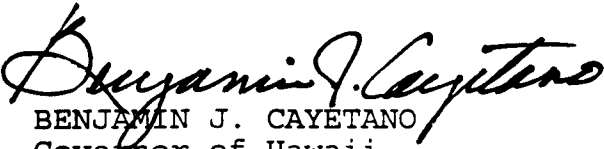
Finally, current financial conditions dictate that we be prudent in the expenditure of funds for new programs. The HCDCH already has a grant program to assist persons who need

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emergency assistance with housing costs.

For the foregoing reasons, I am returning House Bill  
No. 2072 without my approval.

Respectfully,

  
BENJAMIN J. CAYETANO  
Governor of Hawaii

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P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 2072, entitled "A Bill for an Act Relating to Social Welfare," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 2072 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 2072 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,  
State of Hawaii, this 20  
day of June, 2002.



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BENJAMIN J. CAYETANO  
Governor of Hawaii