

STAND. COM. REP. NO.

2654

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 3166

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Economic Development and Taxation and
Water and Land, to which was referred S.B. No. 3166 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY
DEVELOPMENT AUTHORITY,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Amend chapter 206E, Hawaii Revised Statutes, to designate at least two members of the Hawaii Community Development Authority (HCDA) as the small business representatives of the HCDA and to provide that these members shall not be prohibited from voting on matters concerning small business in the initial designated district that they represent; and
- (2) Direct the Governor to designate, from among existing HCDA members, two of the eligible members to serve as small business representatives on the HCDA.

Testimony in support of this measure was received from the Kaka'ako Business and Landowners Association and two Kaka'ako small business owners.

Your Committees are greatly concerned to find that at least two members of the HCDA who represent small business interests within the Kaka'ako Community Development District have been barred from voting on matters concerning the development district in which the greatest concentration of small businesses in Kaka'ako is

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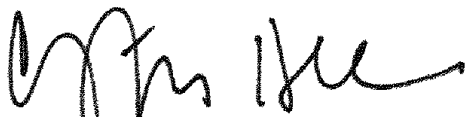
located. The stated basis for this position is a purported conflict-of-interest situation arising from the HCDA's interpretation of section 84-14(a)(1), Hawaii Revised Statutes.

Your Committees find the HCDA's reasoning to be somewhat disingenuous, given that these members were appointed by the Governor, and their qualifications, backgrounds, and small business affiliations were thoroughly reviewed by both the Administration and the Legislature as part of the confirmation process. Furthermore, your Committees are in agreement that this result is contrary to the Legislature's intent in enacting chapter 206E, Hawaii Revised Statutes.

Your Committees are in strong support of the remedy this measure provides to ensure that the purpose of section 206E-1, Hawaii Revised Statutes, is met. The designation of these small business representatives would further one of the Legislature's stated intentions for forming the HCDA, which was to address insufficient commercial and industrial facilities for rent in the Kaka'ako area.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3166 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Taxation and
Water and Land,



CLAYTON HEE, Chair



CAROL FUKUNAGA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 3166	Committee Referral: EDT/OTL	Date: 2/26/08
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)				X
KOKUBUN, Russell S. (VC)	X			
FUKUNAGA, Carol	X			
TOKUDA, Jill N.	X			
WHALEN, Paul				X
TOTAL	3	0	0	2

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:

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*Only one measure per Record of Votes