

STAND. COM. REP. NO.

649

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 119.  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 119, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC BUILDINGS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the State to sell and lease-back public buildings to the public, excluding title to the land upon which the building or its grounds are situated.

This measure also exempts from the Public Procurement Code the operation and maintenance of public buildings sold under a lease-back arrangement.

Your Committee received written comments in opposition to this measure from Bruce A. Coppa, Comptroller, Department of Accounting and General Services. Written comments were received from Kalbert Young, Department of Budget and Finance.

Your Committee finds that the strategy of selling public buildings and leasing them back is designed to raise immediate cash to address the State's budgetary shortfall in the current economic climate. However, there are long-term financial considerations that would be either beneficial or detrimental to the State as landowner and the occupant of the building. Because each transaction or building would pose different considerations, diligent care in executing these transactions would be needed to ensure future state interests are preserved.

SB119 SD2 SSCR LRB 11-2393.doc



Your Committee has amended this measure by:

- (1) Clarifying that the ability to sell and lease-back public buildings is discretionary, not mandatory;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 119, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 119 SDI	PGM, WAM	2/24/11		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✗ (W)			✓
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	12	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes