

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 1588

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1588 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Prohibit the issuance of general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of less than 10 years from the date the asset was first placed into service;
- (2) Authorize only cash appropriations or the issuance of bonds other than general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of less than 10 years from the date the asset was first placed into service; and
- (3) Require the Director of Finance to set a maturity date of not more than 10 years when issuing general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of 10 years or more from the date the asset was first placed into service.



The Department of the Attorney General and Department of Budget and Finance commented on this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 1588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1588, H.D. 1, and be placed on the calendar for Third Reading.

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


SYLVIA LUKE, Chair



