

STAND. COM. REP. NO.

3186

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2592
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 2592, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WATER,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a working group within the Department of the Attorney General to assess the viability and constitutionality of using tax increment financing at the county level as a means of incentivizing water-related infrastructure projects and other projects to protect water resources in the State.

Your Committee received testimony in support of this measure from the O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Ulupono Initiative, and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources, Department of Health, and Department of Budget and Fiscal Services of the City and County of Honolulu.

Your Committee finds that Hawaii's surrounding ocean waters, streams, groundwater, watersheds, and other sources of fresh water are vulnerable to pollution and contamination from cesspools, which discharge raw, untreated sewage into the ground, and nonpoint source pollution that flows off the land directly into



the ocean. Your Committee further finds that in other jurisdictions, tax increment financing is an established means to finance infrastructure projects. However, in Hawaii, questions regarding whether the counties are constitutionally authorized to implement tax increment financing to fund projects have arisen, and whether tax increment financing would generate sufficient revenue to fund significant capital improvement projects. The working group established in this measure will address these issues.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2592, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2592, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water and Land,

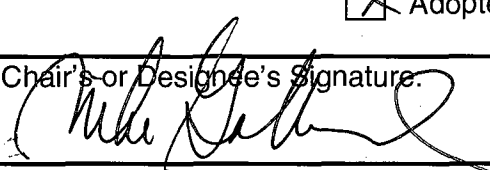


KARL RHOADS, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:*	Committee Referral:	Date:
HB 2592, HDI	WTL, WAM	3-21-2018
<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
RHOADS, Karl (C)	✓	
GABBARD, Mike (VC)	✓	
INOUYE, Lorraine R.		✓
RIVIERE, Gil	✓	
THIELEN, Laura H.		✓
TOTAL	3	—
	—	2
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original	Yellow	Pink
File with Committee Report	Clerk's Office	Drafting Agency
		Goldenrod
		Committee File Copy

*Only one measure per Record of Votes