

STAND. COM. REP. NO.

33

Honolulu, Hawaii

, 2021

FEB 08

RE: H.B. No. 240
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 240 entitled:

"A BILL FOR AN ACT RELATING TO A BANK OF THE STATE OF
HAWAII,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Bank of the State of Hawaii Working Group
to propose legislation to establish a state-operated
Bank of the State of Hawaii; and
- (2) Appropriate funds.

Your Committee received testimony in support of this measure
from the Big Island Grown Dispensaries, Hawai'i Cannabis Industry
Association, Young Progressives Demanding Action, Progressive
Democrats of Hawaii, and ten individuals. Your Committee received
testimony in opposition to this measure from the Department of
Budget and Finance, Hawaii Credit Union League, and Hawaii Bankers
Association. Your Committee received comments on this measure
from the Department of Commerce and Consumer Affairs.

Your Committee finds that as the State faces economic
challenges, it may be necessary to analyze and consider

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alternatives to the existing structure of financial institutions in Hawaii. Establishing a working group to develop proposed legislation on the establishment of a state-operated bank in Hawaii provides a first step in finding these alternatives.

Your Committee has amended this measure by:

- (1) Amending the composition of the Bank of the State of Hawaii Working Group;
- (2) Deleting language related to an interim report and instead requiring the Working Group to submit a report to the Legislature by January 1, 2022;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 240, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



SEAN QUINLAN, Chair



