

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1360, H.D.1, S.D.1

March 31, 2015
9:00 A.M.

RELATING TO THE DEPARTMENT OF TRANSPORTATION

House Bill No. 1360, H.D.1, S.D.1, authorizes the issuance of general obligation bonds for relocation of the Clear Channel antenna, including design and construction, equipment and appurtenances, and ground and site improvements.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects that serve governmental public purposes. It appears that private entities may derive benefit from this legislation. Should private entities benefit from the relocation of the Clear Channel antenna, tax-exempt general obligation bonds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost.

In addition, to the extent that funding for this project is not in the proposed Executive Budget, should this bill proceed or pass the Legislature, an amount for the corresponding annual debt service will need to be included in the Legislature's version of the budget.

Thank you for the opportunity to provide our testimony on this bill.

HB1360

Submitted on: 3/29/2015

Testimony for WAM on Mar 31, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Brinker	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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