

STAND. COM. REP. NO. 2979

Honolulu, Hawaii

MAR 20 2014

RE: H.B. No. 2264

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
H.B. No. 2264 entitled:

"A BILL FOR AN ACT RELATING TO INVESTMENT AUTHORITY OF THE  
EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the  
Employees' Retirement System to retain or dispose of real estate  
acquired by the Employees' Retirement System by foreclosure, in  
the enforcement of security, or in satisfaction of debts in the  
same manner as the System's other investments in interest in real  
property.

Your Committee received testimony in support of this measure  
from the Department of Budget and Finance and Employees'  
Retirement System.

Your Committee finds that existing law requires the Board of  
Trustees of the Employees' Retirement System to sell real estate  
acquired by foreclosure, in the enforcement of security, or in  
satisfaction of debts within five years after acquisition unless  
extended by the Governor. The Employees' Retirement System  
testified that there are no restrictions on the holding period for  
the other real estate investments of the System. This measure  
repeals the mandatory holding period for real estate acquired  
through foreclosure, enforcement of security, or in satisfaction  
of debts to allow the Board to make long-range plans for the  
affected property that are necessary for the prudent management of  
the System's real estate portfolio.



As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,



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CLAYTON HEE, Chair



