

July 14, 2004

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Second State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

Re: House Bill No. 2181, H.D.2

On July 13, 2004, House Bill No. 2181, entitled "Relating to Housing Financing Programs," became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to allow the Housing and Community Development Corporation of Hawaii ("HCDCH") to issue bonds for any program whose primary purpose is to provide housing for active or retired United States military personnel and their families. Also, this bill limits the amount of such bond issuances to \$2,000,000,000.

This bill is objectionable because this bill does not constitute a legislative authorization for HCDCH to issue \$2,000,000,000 in housing revenue bonds for military housing projects. In Standing Committee Report No. 733-04, the House Committee on Finance specifically pointed out that the \$2,000,000,000 amount is not an authorization to issue bonds but a cap on the amount of housing revenue bonds that can be issued for military housing projects. As such, this increase has no actual effect to the amount of bonds that may be issued by HCDCH.

Therefore, I allowed House Bill No. 2181, H.D.2 to become law as Act 235, effective July 13, 2004, without my signature.

Sincerely,

LINDA LINGLE