

Honolulu, Hawaii

Feb 1, 2006

RE: H.B. No. 1891

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 1891 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this bill is to increase the availability of funds for repair and maintenance projects at Hawaii's public schools by increasing the funds deposited into the State Educational Facilities Improvement Special Fund.

The Department of Education testified in support of this measure. The Department of Budget and Finance opposed this measure. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill to properly reflect the name of DOTAX's benefits-funded contract, the integrated tax information management systems performance-based contract.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1891, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Education,

R. Takumi

ROY TAKUMI, Chair



A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 237-31, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§237-31 Remittances.** All remittances of taxes imposed by
4 this chapter shall be made by money, bank draft, check,
5 cashier's check, money order, or certificate of deposit to the
6 office of the department of taxation to which the return was
7 transmitted. The department shall issue its receipts therefor
8 to the taxpayer and shall pay the moneys into the state treasury
9 as a state realization, to be kept and accounted for as provided
10 by law; provided that:

11 (1) The sum from all general excise tax revenues realized
12 by the State that represents the difference between
13 [~~\$45,000,000~~] \$ _____ and the proceeds from the
14 sale of any general obligation bonds authorized for
15 that fiscal year for the purposes of the state
16 educational facilities improvement special fund shall
17 be deposited in the state treasury in each fiscal year
18 to the credit of the state educational facilities



1 improvement special fund[+] for public school capital
2 improvement program needs;

3 (2) The sum from all general excise tax revenues realized
4 by the State that represents the difference between
5 \$ _____ and the proceeds from the sale of any general
6 obligation bonds authorized for that fiscal year for
7 the purposes of the state educational facilities
8 improvement special fund shall be deposited in the
9 state treasury in each fiscal year to the credit of
10 the state educational facilities improvement special
11 fund for bond-funded repair and maintenance projects
12 at public schools;

13 (3) The sum from all general excise tax revenues realized
14 by the State in the amount of \$ _____ shall be
15 deposited in the state treasury in each fiscal year to
16 the credit of the state educational facilities
17 improvement special fund for cash-funded repair and
18 maintenance projects at public schools;

19 [+2+] (4) A sum, not to exceed \$5,000,000, from all general
20 excise tax revenues realized by the State shall be
21 deposited in the state treasury in each fiscal year to



1 the credit of the compound interest bond reserve fund;
2 and
3 ~~[+3+]~~ (5) A sum, not to exceed the amount necessary to meet
4 the obligations of the integrated tax information
5 management systems performance-based contract may be
6 retained and deposited in the state treasury to the
7 credit of the integrated tax information management
8 systems special fund. The sum retained by the
9 director of taxation for deposit to the integrated tax
10 information management systems special fund for each
11 fiscal year shall be limited to amounts appropriated
12 by the legislature. This paragraph shall be repealed
13 on July 1, 2005."

14 SECTION 2. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 3. This Act shall take effect on July 1, 2007;
17 provided that on June 30, 2008, section 1 of this Act shall be
18 repealed and section 237-31, Hawaii Revised Statutes, is
19 reenacted in the form in which it read on the day before the
20 approval of this Act.



Report Title:

Education; State Educational Facilities Improvement Special Fund

Description:

Increases the funds deposited into the state educational facilities improvement special fund. (HB1891 HD1)

