

Honolulu, Hawaii

APR - 6 2006

RE: H.B. No. 3018  
H.D. 1  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Judiciary and Hawaiian Affairs and Ways and Means, to which was referred H.B. No. 3018, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT EMPLOYEES,"

beg leave to report as follows:

The purpose of this measure is to clarify that employer contributions and Hawaii Employer-Union Health Benefits Trust Fund assets are irrevocable and may be used only for the benefit of the employee-beneficiaries and dependent-beneficiaries. This measure authorizes the board to use the fund and create separate funds as a reserve against or to pay further costs of providing health and other benefits to retired employees and their beneficiaries.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, the Department of Budget and Finance, the Hawaii Employer-Union Health Benefits Trust, the Hawaii Government Employees Association, and the Hawaii State Teachers Association.

Your Committees find that in 2004, the Government Accounting Standards Board issued statement numbers 43 and 45 which established uniform financial reporting standards for the reporting of retiree health and other post-employment benefits by state and local governments. This measure will clarify that the Hawaii Employer-Union Health Benefits Trust Fund is administered



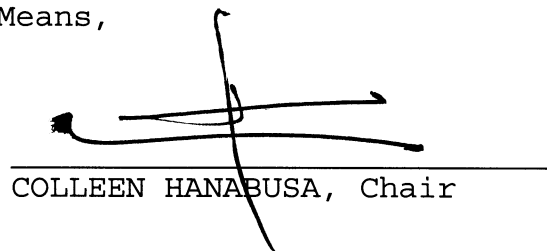
as a trust or equivalent arrangement as that term is used in statement numbers 43 and 45.

Your Committees further find that this measure needs the appropriate three readings in the House of Representatives. The Hawaii Supreme Court's decision in *Taomae v. Lingle*, 108 Hawaii 245 (2005), invalidated a constitutional amendment because the title of the bill was insufficient and because the bill failed to receive three readings in each house of the legislature. Although the language of the court's decision has been interpreted to be limited in its application to bills proposing a constitutional amendment, Article III, Section 15 of the Hawaii State Constitution makes it clear that the three reading requirement applies to all bills, providing that "[n]o bill shall become law unless it shall pass three readings in each house on separate days." Therefore, this bill should not pass out of the legislature unless the bill receives three readings by the House of Representatives in conformance with Article III, Section 15 of the Hawaii State Constitution.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3018, H.D. 1, S.D. 1, and recommend that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committees on Judiciary and  
Hawaiian Affairs and Ways and  
Means,

  
BRIAN T. TANIGUCHI, Chair

  
COLLEEN HANABUSA, Chair





**The Senate  
Twenty-Third Legislature  
State of Hawaii**

**Record of Votes of the  
Committee on Ways and Means  
(Bills and Resolutions)**

Measure:* HB 3018 HD1 SD1	Committee Referral: LBR, JHW/WAM	Date: 4/4/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (2312) <input type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
TANIGUCHI, Brian T. (C)	/			
TSUTSUI, Shan S. (VC)	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUYE, Lorraine R.	/			
KANNO, Brian				/
KIM, Donna Mercado	/			
KOKUBUN, Russell S.	/			
NISHIHARA, Clarence K.	/			
SAKAMOTO, Norman	/			
HEMMINGS, Fred				/
SLOM, Sam	/			
TRIMBLE, Gordon	/			
TOTAL	13	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> <div style="display: flex; justify-content: space-around; font-size: small;"> <span>Original File with Committee Report</span> <span>Yellow Clerk's Office</span> <span>Pink Drafting Agency</span> <span>Goldenrod Committee File Copy</span> </div>				

\*Do not list more than one measure per Record of Votes.