

Honolulu, Hawaii

, 2006

Feb. 16

RE: S.B. No. 2156  
S.D. 1

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

Sir:

Your Committee on Transportation and Government Operations,  
to which was referred S.B. No. 2156 entitled:

"A BILL FOR AN ACT RELATING TO THE AUDITOR,"

begs leave to report as follows:

The purpose of this measure is to allow the state auditor to inspect all accounts, books, records, files, papers, documents, and all financial affairs of the Department of Taxation.

Your Committee received testimony in support of this measure from the Auditor. Testimony in opposition was received from the Department of Taxation (DOTAX).

The Legislature finds that the Auditor is possessed with the constitutional and statutory authority to conduct post-audits of the transactions, accounts, programs, and performances of all departments, offices, and agencies of the State. DOTAX is one of these departments. However, the Attorney General has informed the Auditor that additional statutory authority is necessary for an audit of DOTAX. Apparently the Auditor sought DOTAX records when pursuing a lead during a recent audit which required a review of taxpayer records at DOTAX.

This measure addresses the objection of the Attorney General to the Auditor's access to DOTAX records, by providing very specific statutory authority in addition to the Auditor's current general statutory authority. Your Committee finds that the



Auditor needs this authority in order to effectively perform the constitutional and statutory duties of an audit.

Your Committee has made a conforming statutory amendment.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2156, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation and  
Government Operations,

  
LORRAINE R. INOUE, Chair



