

STAND. COM. REP. NO. 1345

Honolulu, Hawaii

March 22, 2007

RE: S.B. No. 1182
S.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committees on Health and Human Services & Housing, to which was referred S.B. No. 1182, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO NEEDS ALLOWANCE,"

beg leave to report as follows:

The purpose of this bill is to assist Social Security recipients who reside in certain institutional care settings with personal expenditures.

More specifically, this measure establishes a monthly needs allowance of \$50 for residents of care homes and long-term care facilities, to be increased annually in an amount equal to the Social Security income benefit increases. This measure also exempts from the income tax law and the general excise tax the monthly needs allowance received directly by an individual resident of a qualified facility or received indirectly by a facility operator on behalf of an individual resident of a qualified facility.

Your Committees received testimony in support of this bill from the Department of Human Services, the State Council on Developmental Disabilities, the Healthcare Association of Hawaii, the Mayor of Hawaii County, the Hawaii Disability Rights Center, the Policy Advisory Board for Elder Affairs, the Hawaii Coalition of Care Home Administrators, the Hawaii Long Term Care Association, and eighteen individuals. The Department of



Taxation, the Disability and Communication Access Board, the Kokua Council, and the Tax Foundation of Hawaii offered comments.

Your Committees believe that the establishment of a needs allowance that is indexed to future Social Security income benefit increases constitutes a significant step in assisting elderly and other residents residing in certain institutional care settings. Your Committees note that the increase in the personal use allowance should extend to residents of intermediate care facilities for the mentally retarded.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1182, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services & Housing,



MAILE SHIMABUKURO, Chair



JOSHUA B. GREEN, M.D., Chair



