

STAND. COM. REP. NO.

1525

Honolulu, Hawaii

APR 04 2007

RE: H.B. No. 122  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 122, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose of this measure is to require public disclosure of any entity that receives a "state award".

Generally, a state award is defined as any legal or governmental entity that receives state financial assistance, including grants, subgrants, loans, awards, etc., not including single transactions less than \$25,000.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii. The Department of Budget and Finance submitted comments in opposition to the measure.

Your Committee finds that transparency and accountability in government allow citizens to more fully participate in the governmental process and promotes trust in those who are responsible for the expenditure of state funds.

This measure is consistent with this principle by requiring disclosure of all legal and governmental entities that receive state awards. Your Committee, however, is concerned with provisions that compromise the integrity of tax disclosure laws

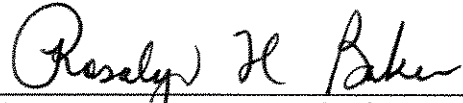
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under title 14, Hawaii Revised Statutes, and has therefore amended the measure to ensure that all taxpayer related information remains confidential.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 122, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 122, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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ROSALYN H. BAKER, Chair



