

Honolulu, Hawaii

Feb 29, 2008

RE: H.B. No. 2521
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2521, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this bill is to provide financial support to improve the infrastructure and facilities at the University of Hawaii (UH) by:

- (1) Establishing the UH Repair and Maintenance Special Account (Special Account) as a dedicated funding source for the repair and maintenance of UH facilities and earmarking one percent of general fund revenues, until June 30, 2014, for deposit into the Special Account;
- (2) Declaring the Legislature's intent to authorize and appropriate at least \$50,000,000 in general obligation bond funds for repair and maintenance of UH facilities for each fiscal year from July 1, 2008, through June 30, 2014, and requiring general excise tax revenues to be used if the Legislature fails or refuses to fulfill this intent;
- (3) Appropriating \$50,000,000 out of the Special Account for fiscal year 2008-2009 for the repair and maintenance of UH facilities; and



- (4) Authorizing and appropriating \$50,000,000 in general obligation bond funds for fiscal year 2008-2009 for the repair and maintenance of UH facilities.

UH supported this bill. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii and several concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Requiring the Director of Finance to deposit general fund revenues to the Special Account on at least a quarterly basis, instead of a semi-annual basis; and
- (2) Changing its effective date to June 29, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2521, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2521, H.D. 2.

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


MARCUS R. OSHIRO, Chair



