

STAND. COM. REP. NO.

325

Honolulu, Hawaii

Feb 18, 2009

RE: H.B. No. 884
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 884 entitled:

"A BILL FOR AN ACT RELATING TO CHILD DEVELOPMENT ACCOUNT,"

begs leave to report as follows:

The purpose of this bill is to encourage Hawaii's residents to develop the habit of saving by creating a child development account requiring an initial state contribution from general funds upon specified provisions, and upon the enactment of an amendment to the Hawaii Constitution to amend the disposition of excess revenues.

The Representative from the 38th District testified in support of this bill. The Hawaii Alliance for Community-Based Economic Development supported the intent of this measure. The Department of Budget and Finance testified in opposition to this bill. The Department of Taxation (DOTAX) provided comments.

Your Committee notes that DOTAX opposed the tax provision in this bill, which does not factor the cost of the measure into the budget. In addition, DOTAX stated that issues of applicable federal tax are unaddressed.

HB884 HD1 HSCR HUS HMS 2009-1924



Upon further consideration, your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 884, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,


JOHN M. MIZUNO, Chair



