

JAN 25 2010

A BILL FOR AN ACT

PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 6, OF THE HAWAII
CONSTITUTION, RELATING TO THE TAX REBATE REQUIREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to propose an
2 amendment to article VII, section 6, of the Constitution of the
3 State of Hawaii to amend the requirement that excess general
4 fund revenues be returned to taxpayers of the State as a tax
5 refund and allow the legislature to deposit these excess
6 revenues into the emergency and budget reserve fund as an
7 alternative.

8 SECTION 2. Article VII, section 6, of the Constitution of
9 the State of Hawaii is amended to read as follows:

10 **"DISPOSITION OF EXCESS REVENUES**

11 **Section 6.** Whenever the state general fund balance at the
12 close of each of two successive fiscal years exceeds five
13 percent of general fund revenues for each of the two fiscal
14 years, the legislature in the next regular session [~~shall~~] may
15 provide for a tax refund or tax credit to the taxpayers of the
16 State, or deposit the excess funds into the emergency and budget



1 reserve fund established by section 328L-3, Hawaii Revised
2 Statutes, as provided by law."

3 SECTION 3. The question printed on the ballot shall be as
4 follows:

5 "Shall the legislature be provided with the authority to
6 determine whenever the state general fund balance at the
7 close of two successive fiscal years exceeds five per cent
8 of the general fund revenues for each of the two fiscal
9 years, whether the excess revenues should be used to
10 provide a tax refund or tax credit to the taxpayers of the
11 State, or deposited into the emergency and budget reserve
12 fund, which is a temporary supplemental source of funding
13 for the State in times of emergency, economic downturn, or
14 unforeseen reduction in revenues?"

15 SECTION 4. Constitutional material to be repealed is
16 bracketed. New constitutional material is underscored.

17 SECTION 5. This amendment shall take effect upon
18



1 compliance with article XVII, section 3, of the Constitution of
2 the State of Hawaii.

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INTRODUCED BY:

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Report Title:

Constitutional Amendment; Excess Revenues; Emergency and Budget Reserve Fund

Description:

Proposes a constitutional amendment to article VII, section 6 of the state constitution to authorize the legislature to determine whether excess funds should be used as tax refunds or tax credits to taxpayers of the state or diverted to the state's emergency and budget reserve fund.

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