

STAND. COM. REP. NO.

727

Honolulu, Hawaii

March, 2009

RE: H.B. No. 573
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 Finance, to which was referred H.B. No. 573
entitled:

"A BILL FOR AN ACT RELATING TO EMERGENCY AND BUDGET RESERVE
FUND,"

begs leave to report as follows:

The purpose of this bill is to build up the State's financial
reserves in preparation for the next economic downturn.

This bill requires that whenever the State general fund
balance at the close of any fiscal year represents a carryover
cash surplus, the Director of Finance shall deposit 15 percent of
the balance into the Emergency and Budget Reserve Fund (Fund).

The Hawaii Government Employees Association testified in
support of this bill. The Department of Budget and Finance and
Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Replacing the specific percentage of the cash surplus to
be deposited into the Fund with provisions requiring
that up to an unspecified percentage be deposited;
- (2) Changing the effective date to July 1, 2020, to
encourage further discussion; and

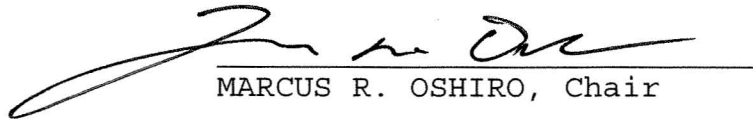
HB573 HD1 HSCR FIN HMS 2009-2456



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 573, H.D. 1, and be placed on the calendar for Third Reading.

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


MARCUS R. OSHIRO, Chair



