

Honolulu, Hawaii

August 11, 2010

RE: S.B. No. 2807
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2807, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 6, OF THE HAWAII CONSTITUTION, RELATING TO THE TAX REBATE REQUIREMENT,"

begs leave to report as follows:

The purpose of this bill is to create a fiscal reserve to enable the State to meet its financial obligations during economic difficulties and other emergencies. This bill proposes an amendment to Article VII, section 6, of the Hawaii Constitution to amend the requirement that excess general fund revenues be returned to taxpayers of the State as a tax refund or tax credit by giving the Legislature the alternative of depositing these excess revenues into an emergency and budget reserve fund.

The Policy Advisory Board for Elder Affairs testified in support of this bill. The Office of the Governor, Department of Budget and Finance, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

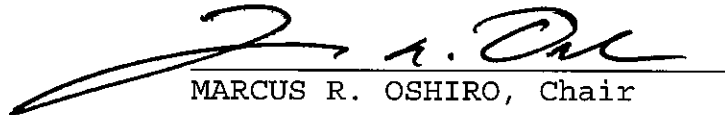
- (1) Simplifying the question to be printed on the ballot by deleting language that describes the purpose of the emergency and budget reserve funds; and



- (2) Making technical, nonsubstantive amendments for consistency.

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 S.B. No. 2807, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2807, S.D. 2, H.D. 2.

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


MARCUS R. OSHIRO, Chair



