

STAND. COM. REP. NO.

220

Honolulu, Hawaii

FEB 12 2010

RE: S.B. No. 2807
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2807 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 measure is to propose a constitutional amendment to article VII, section 6, of the Hawaii constitution to authorize the Legislature to determine whether excess funds should be used as tax refunds or tax credits to taxpayers or be diverted to the State's emergency and budget reserve fund.

Your Committee received testimony in opposition to this measure from the Governor and one state agency. One organization offered comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the requirement that the Legislature dispose of excess revenues is established in article VII, section 6, of the Hawaii Constitution. On the other hand, the emergency and budget reserve fund is established in section 328L-3, Hawaii Revised Statutes, as a temporary supplemental source of funding for the State during times of emergency, economic downturn, or unforeseen reduction in revenues.



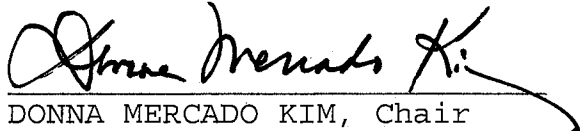
Your Committee finds that making a specific reference in the Hawaii constitution to a section of the Hawaii Revised Statutes might restrict the Legislature's ability to someday amend or reorganize that portion of the statutes unless and until the Hawaii constitution is amended.

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

- (1) Restoring the mandate upon the Legislature to dispose of the excess revenues; and
- (2) Removing the specific reference to section 328L-3, Hawaii Revised Statutes, and replacing it with more general language referring to the "emergency and budget reserve fund established by law".

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2807, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

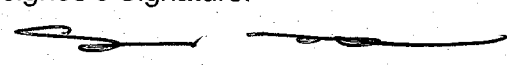
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2807	WAM, J60	02/10/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
FUKUNAGA, Carol	* 51			/
GALUTERIA, Brickwood	-			
HEE, Clayton	* 51			/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.				/
HEMMINGS, Fred				/
TOTAL	7	0	0	5
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes