

Honolulu, Hawaii

March 8, 2011

RE: H.B. No. 803
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 803
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to temporarily:

- (1) Repeal the requirement that \$2,000,000 of tax revenues from the banking industry be deposited into the Compliance Resolution Fund; and
- (2) Authorize the Commissioner of Financial Institutions to adopt rules to impose fees charged to banks and other financial institutions without regard to certain public notice and regulatory review requirements.

The Department of Commerce and Consumer Affairs, USAA, Hawaii Financial Services Association, and the Hawaii Bankers Association opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that temporarily authorize the Commissioner of Financial Institutions to adopt rules to impose fees charged to banks and other financial

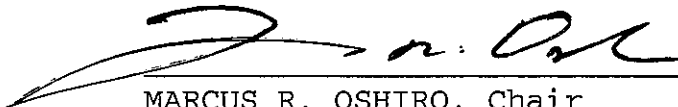


institutions without regard to certain public notice and regulatory review requirements; and .

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 803, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 803, H.D. 1.

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



MARCUS R. OSHIRO, Chair



