

Honolulu, Hawaii

FEB 16 2011

RE: S.B. No. 1270
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1270 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate monies from the Hawaii Hurricane Relief Fund to the General Fund of the State in order to balance the State's budget as required by section 5 of article VII of the Hawaii State Constitution.

Your Committee received testimony in support of this measure from Paxen Huli Ke Alo. Your Committee received testimony in opposition to this measure from the Hawaii Hurricane Relief Fund, Hawai'i Association of REALTORS, Hawaii Independent Insurance Agents Association, and two private individuals. Your Committee received comments on this measure from the Insurance Commissioner of the Department of Commerce and Consumer Affairs.

Your Committee finds that the Hawaii Hurricane Relief Fund serves an important purpose by ensuring that the State has sufficient funds available to meet its immediate emergency response needs and to provide for sufficient property insurance in the medium-to-long term following a catastrophic hurricane. Your Committee finds that this measure is not intended to, and will not, empty the Hawaii Hurricane Relief Fund. Your Committee notes that this measure guarantees that the Hawaii Hurricane Relief Fund will retain the sum of at least \$10,000,000 for use in the event



of an emergency situation. Your Committee also notes that the Hawaii Hurricane Relief Fund is not the sole source of relief funds available to fulfill the State's immediate needs in the event of a natural disaster; other special purpose funds are available at the county, state, and federal levels. Your Committee further notes that this measure provides for the timely repayment to the Hawaii Hurricane Relief Fund of all moneys transferred to the General Fund by this measure.

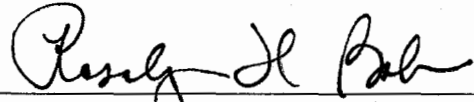
Your Committee has amended this measure by:

- (1) Clarifying that the appropriation made by this measure shall be for fiscal year 2011-2012;
- (2) Specifying that the Hawaii Hurricane Relief Fund shall retain a balance of at least \$10,000,000 after the appropriation made by this measure;
- (3) Requiring that the Hawaii Hurricane Relief Fund be reimbursed for the amount appropriated by this measure using General Fund monies pursuant to a payment schedule that begins in fiscal year 2013-2014;
- (4) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1270, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

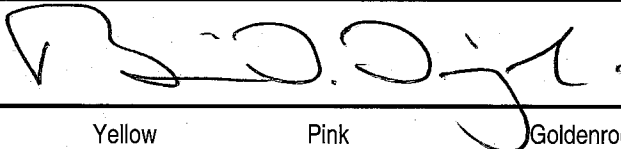


ROSALYN H. BAKER, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1270	CPN, WAM	2/11/2011		
<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
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)		✓		
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam			✓	
TOTAL	5	1	1	
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