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Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 504  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 504  
entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose of this measure is to promote the efficient  
allocation of public funds between general funds and special,  
revolving, and trust funds by:

- (1) Clarifying the criteria to be used by the Auditor in  
analyzing proposed special funds or proposed revolving  
funds;
- (2) Expanding the Auditor's periodic five-year review of  
funds to include special funds as well as revolving  
funds and trust funds and adding the funds of the  
Department of Transportation and the Department of  
Defense to the schedule of reviews; and
- (3) Clarifying the criteria to be used by the Legislature in  
determining whether to establish or continue special  
funds and revolving funds.

Testimony in support of this measure was received from the  
Department of Budget and Finance and the Office of the Auditor.  
Comments on the measure were submitted by the Hawaii Primary Care



Association, High Technology Development Corporation, and Tax Foundation of Hawaii.

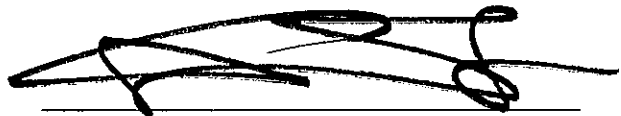
Your Committee finds that because special and revolving funds should only be used for their specified purpose and cannot be used for other programs, efforts must be made to ensure that these funds are the most appropriate funding mechanism for the programs they support.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, continuity, 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. 504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 504, H.D. 1, and be placed on the calendar for Third Reading.

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

  
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SYLVIA LUKE, Chair

State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

**HSR601**

**Record of Votes of the Committee on Finance**

Bill/Resolution No.: <b>HB 504</b>	Committee Referral: <b>FIN</b>	Date: <b>2/14/13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	/			
2. NISHIMOTO, Scott Y. (VC)	/			
3. JOHANSON, Aaron Ling (VC)	/			
4. CULLEN, Ty J.K.				/
5. HASHEM, Mark J.	/			
6. ING, Kaniela	/			
7. JORDAN, Jo	/			
8. KOBAYASHI, Bertrand	/			
9. LOWEN, Nicole E.	/			
10. MORIKAWA, Dee	/			
11. ONISHI, Richard H.K.	/			
12. TAKAYAMA, Gregg	/			
13. TOKIOKA, James Kunane	/			
14. WOODSON, Justin H.				/
15. YAMASHITA, Kyle T.	/			
16. FUKUMOTO, Beth	/			
17. WARD, Gene	/			
<b>TOTAL (17)</b>	<b>15</b>			<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
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