

Honolulu, Hawaii

APR 04 2014

RE: H.B. No. 1893  
H.D. 1  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1893, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to support disaster response services in the State.

More specifically, this measure:

- (1) Establishes the disaster response special fund, the assets of which shall be transferred on an annual basis to certain organizations engaged in disaster response; and
- (2) Authorizes taxpayers to designate, on their tax return, a portion of their tax refund for deposit into the disaster response special fund.

Your Committee received written comments in support of this measure from the American Red Cross, Hawaii State Chapter. Written comments in opposition were received from the Department of Taxation and one individual. The Department of Budget and Finance and the Tax Foundation of Hawaii submitted written comments on the measure.



Your Committee finds that this measure, as currently drafted, places the disaster response special fund in chapter 127, Hawaii Revised Statutes, entitled "Disaster Relief." Your Committee notes, however, that the provisions of chapter 127, Hawaii Revised Statutes, have been indefinitely suspended and are currently superseded by chapter 128, Hawaii Revised Statutes, entitled "Civil Defense and Emergency Act." Accordingly, your Committee finds that it would be more appropriate to place the special fund in chapter 128, Hawaii Revised Statutes. Your Committee believes that the funding mechanism provided in this measure for organizations engaged in disaster response will lead to improvements in disaster response services and help mitigate the loss of life and property when disasters or civil emergencies occur.

Your Committee has amended this measure by:

- (1) Placing the disaster response special fund in chapter 128, Hawaii Revised Statutes, rather than chapter 127, Hawaii Revised Statutes;
- (2) Clarifying that the disaster response special fund shall be administered by the Adjutant General;
- (3) Clarifying the organizations to which the assets of the special fund shall be transferred;
- (4) Changing the effective date to January 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

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 H.B. No. 1893, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1893, H.D. 1, S.D. 2.



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

*David Y. Ige*

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DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1893 HD1 SD1	HMS, WAM	4-3-14		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	12	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report                      Clerk's Office                      Drafting Agency                      Committee File Copy				

\*Only one measure per Record of Votes