

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2758
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2758, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HURRICANE RESERVE TRUST FUND,"

begs leave to report as follows:

The purpose of this measure is to require the interest and other moneys earned on the principal of the Hurricane Reserve Trust Fund to be deposited into the Hurricane Reserve Trust Fund instead of being diverted to the general fund.

The Department of Budget and Finance, Department of Defense, and the Hawaii Association of REALTORS provided testimony in support of this measure.

Your Committee finds that the recent growth in general fund revenues has brought stability to the health of the general fund, reducing the necessity for the diversion of the interest earned from the principal of the Hurricane Reserve Trust Fund into the general fund. Your Committee further finds that the reallocation of interest and other moneys will ensure proper growth of the Hurricane Reserve Trust Fund. Your Committee believes that this is a prudent strategy to help the State meet its targeted objective of funding the state reserves available for hurricane reinsurance.




Your Committee has amended this measure by:

- (1) Deleting the June 30, 2019, sunset date; and
- (2) Changing the effective date to December 21, 2112, to facilitate further discussion on the measure.

Your Committee respectfully requests that the House Committee on Finance advance this measure but consider the reallocation of funding to the Hurricane Reserve Trust Fund for fiscal year 2015, due to the Council on Revenues' recent forecast of zero per cent growth for the upcoming fiscal year. Your Committee recognizes the importance of restoring the balance of the Hurricane Reserve Trust Fund, especially given that the likelihood of the State experiencing a hurricane increases with each passing year. However, your Committee believes that the \$187,000,000 allocated in fiscal year 2015 to the Hurricane Reserve Trust Fund, in H.B. No. 1700, H.D. 1, may be better utilized to partially augment the general fund, given the zero per cent growth forecast.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2758, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2758, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1215-14

Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.: SB 2750, SD1	Committee Referral: CPC, FIN	Date: 3/19/14
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. KAWAKAMI, Derek S.K. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CACHOLA, Romy M.	/			
6. CREAGAN, Richard	/			
7. EVANS, Cindy	/			
8. HAR, Sharon E.				/
9. ITO, Ken				/
10. LEE, Chris	/			
11. NAKASHIMA, Mark M.	/			
12. OSHIRO, Marcus R.	/			
13. TSUJI, Clift	/			
14. YAMANE, Ryan I.	/			
15. MCDERMOTT, Bob				/
16. THIELEN, Cynthia		/		
TOTAL (16)	12	1		3

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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