

STAND. COM. REP. NO. 2026

Honolulu, Hawaii

JAN 31 2014

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

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

Madam:

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

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

begs leave to report as follows:

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

Your Committee received testimony in support of this measure from the Department of Budget and Finance; Department of Defense, State Civil Defense; and two individuals. Your Committee received comments on this measure from the Hawaii Hurricane Relief Fund.

Your Committee finds that the current Administration has set a targeted objective that the State have formal reserves equal to at least ten percent of general fund revenues. Your Committee further finds that this measure commits interest that is earned on funds already held in reserves, which is a prudent and rational approach that should help the State meet its targeted objective sooner.

Your Committee additionally finds that although the Hurricane Reserve Trust Fund is currently operationally dormant, there is a large amount of risk exposure faced by the trust fund when it is operational. Incorporating a sunset date into this measure will

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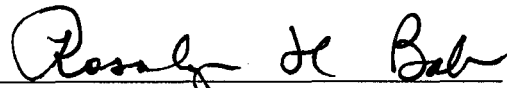


ensure the Legislature's ability to revisit this matter in the future, should the need arise.

Accordingly, your Committee has amended this measure by inserting a sunset date of June 30, 2019.

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. 2758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2758, 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



