

Honolulu, Hawaii  
APR 25 2014

RE: S.B. No. 2779  
S.D. 1  
H.D. 1  
C.D. 1

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

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2779, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FINANCIAL AUDIT OF THE STATE OF HAWAII BY THE LEGISLATIVE AUDITOR,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to specifically authorize the Department of Taxation to release certain otherwise confidential information to the Office of the Auditor in order for the Auditor to conduct its Comprehensive Annual Financial Report of the State.

This measure also requires the Auditor and the Auditor's authorized agents to maintain the confidentiality of the disclosed information.

Your Committee on Conference finds that section 23-5, Hawaii Revised Statutes, authorizes the Auditor to conduct audits of all



departments, offices, and agencies of the State and its political subdivisions. Your Committee on Conference notes that concerns have been raised regarding the Department of Taxation's authority to disclose tax returns and other tax records on file with the Department of Taxation that the Auditor requires to conduct the Comprehensive Annual Financial Report of the State. Your Committee on Conference believes that this measure will provide the Department of Taxation with clear authority to disclose tax return information to the Office of the Auditor for the purposes of conducting the Comprehensive Annual Financial Report of the State, while ensuring that taxpayer information remains confidential.


Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to upon approval.

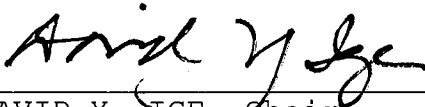
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2779, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2779, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

  
\_\_\_\_\_  
SYLVIA LUKE, Chair

  
\_\_\_\_\_  
DAVID Y. ICE, Chair



