
A BILL FOR AN ACT

RELATING TO STATE FINANCES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Governmental Accounting Standards Board, an
2 organization whose mission is to establish and improve
3 accounting and financial reporting standards for state and local
4 governments, recently released Statement No. 77 in August of
5 2015. This statement, relating to tax abatement disclosures, is
6 aimed at improving the usefulness and transparency of financial
7 statements for citizens and taxpayers, legislative and oversight
8 bodies, municipal bond analysts, and others with interests in
9 evaluating the financial health of governments. To this end,
10 Statement No. 77 sets new requirements for governmental
11 disclosure of tax abatements, including proposed standards for
12 describing the tax abatements provided, eligibility criteria,
13 the method by which taxes are being abated, the gross amounts of
14 the tax revenues being abated, and descriptions of tax abatement
15 relationships with other jurisdictions. The Legislature finds
16 that the application of the tax abatement disclosure
17 requirements in Statement No. 77 would facilitate a better



1 understanding of the limitations and expectations of the State's
2 ability to raise capital.

3 Therefore, the purpose of this Act is to incorporate the
4 tax abatement disclosure requirements of Governmental Accounting
5 Standards Board Statement No. 77 in the State's comprehensive
6 annual financial report.

7 SECTION 2. (a) To the extent possible under the current
8 laws of the State, for fiscal year 2016-2017 and every year
9 thereafter, the comptroller shall apply Governmental Accounting
10 Standards Board Statement No. 77 in its annual report to the
11 governor and the legislature pursuant to section 40-5, Hawaii
12 Revised Statutes.

13 (b) To effectuate the purposes of this Act, the
14 comptroller may, as necessary and at its own expense:

- 15 (1) Coordinate with the department of taxation, the office
16 of the auditor, and other state or county agencies;
17 and
18 (2) Consult with external auditors, specialists, and
19 experts.

20 (c) If any of the standards and requirements set by
21 Statement No. 77 cannot be implemented because of barriers



1 present in existing state law or procedure, the comptroller
2 shall submit a report to the legislature no later than twenty
3 days prior to the convening of the 2017 regular session,
4 including:

- 5 (1) The status of the implementation of Statement No. 77;
- 6 and
- 7 (2) Recommendations on legislation necessary for the full
- 8 implementation of Statement No. 77.

9 SECTION 3. This Act shall take effect on July 1, 2016.

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INTRODUCED BY: *George J. ...*

JAN 22 2016



H.B. NO. 2094

Report Title:

Comprehensive Annual Financial Report; Governmental Accounting Standards Board; GASB; Tax Abatement Disclosure

Description:

Requires the comptroller to include recommendations from Governmental Accounting Standards Board Statement No. 77 in the State comprehensive annual financial report.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

