

STAND. COM. REP. NO.

3433

Honolulu, Hawaii

APR 05 2018

RE: H.B. No. 1652
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1652 entitled:

"A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to abolish funds as recommended by the Auditor in Auditor's Report No. 17-10.

Specifically, this measure abolishes the:

- (1) Est/adm license and permit tobacco and cigarette special fund;
- (2) IRS refund intercept trust account;
- (3) Special enforcement section collections trust account;
and
- (4) Taxes payable to counties - fuel trust accounts,

and transfers the unencumbered balances to the general fund.

Your Committee received testimony in support of this measure from the Department of Taxation.



Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the funds in this measure recommended for closure by the Auditor should be abolished. Your Committee further finds that establishing end-of-year carryover balances for various non-general funds will prevent the excess accumulation of moneys in those funds.

Your Committee has amended this measure by:

- (1) Abolishing the premium taxes paid pending appeal trust account;
- (2) Abolishing the premium supplementation trust fund;
- (3) Establishing end-of-fiscal year carryover balances in the amounts of:
 - (A) \$200,000 for the reduced ignition propensity cigarette program special fund;
 - (B) \$3,000,000 for the special unemployment insurance administration fund;
 - (C) \$1,000,000 for the trust fund for disability benefits;
 - (D) \$500,000 for the commissioner's education and training fund;
 - (E) \$0 for the special drivers education fund account;
 - (F) \$3,000,000 for the captive insurance administrative fund;
 - (G) \$500,000 for the contractors recovery fund;
 - (H) \$100,000 for the contractors education fund;
 - (I) \$1,000,000 for the mortgage loan recovery fund;
 - (J) \$500,000 for the real estate recovery fund;



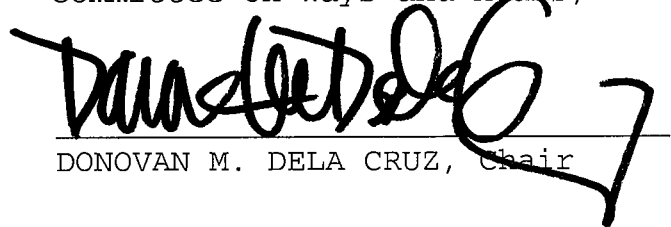
- (K) \$1,000,000 for the real estate education fund;
- (L) \$25,000 for the trust fund for the purpose of administering fees and costs associated with the state certified arbitration program;
- (M) \$1,000,000 for the condominium education trust fund; and
- (N) \$25,000 for the mortgage foreclosure dispute resolution special fund;

and requiring, on June 30 of each fiscal year, that moneys in those funds in excess of the established amounts shall lapse to the credit of the general fund; and

- (3) Increasing the deduction for central services expenses from five percent to seven percent.

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. 1652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1652, S.D. 1, and be placed on the calendar for Third Reading.

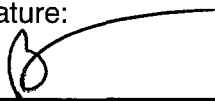
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB1652	Committee Referral: WAM	Date: 3/13/18		
<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
DELA CRUZ, Donovan M. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
KAHELE, Kaiali'i	✓			
KIDANI, Michelle N.	✓			
RIVIERE, Gil	✓			
SHIMABUKURO, Maile S.L.				✓
WAKAI, Glenn	✓			
TOTAL	9			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes