

STAND. COM. REP. NO.

881

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 686
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary and Labor, to which was referred S.B. No. 686, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION FUNDING,"

beg leave to report as follows:

The purpose and intent of this measure is to establish an education surcharge on residential investment properties and visitor accommodations, the proceeds of which would be deposited into a Quality Education Special Fund, subject to the ratification of a state constitutional amendment permitting the Legislature to establish the surcharge, for the purpose of funding public education.

Your Committees received written comments in support of this measure from the Hawaii Children's Action Network, Hawaii Public Charter School Network, Hawaii State Teachers Association, HE'E Coalition, Hydroponics Alternatives LLC, IMUAlliance, Parents for Public Schools of Hawaii, Special Education Advisory Council, and 3,904 individuals.

Your Committees received written comments in opposition to this measure from the Mayor of the County of Hawaii, Department of Finance of the County of Kauai, Chair of the Maui County Council, American Resort Development Association, BIA Hawaii, Condominium Rentals Hawaii, Chamber of Commerce Hawaii, Coalition for Equal Taxation, Hawaii Association of REALTORS, Hawaii Lodging and



Tourism Association, Maui Chamber of Commerce, Maui Hotel and Lodging Association, Kohala Coast Resort Association, Rental By Owner Awareness Association, and thirteen individuals.

Your Committees received written comments on this measure from the Department of Education, Hawaii State Public Charter School Commission, Office of the Managing Director of the City and County of Honolulu, Tax Foundation of Hawaii, and two individuals.

Your Committees have amended this measure by:

- (1) Exempting from the education surcharge on residential and investment properties all residential property with an assessed value of less than \$2,000,000;
- (2) Changing the name of the Quality Education Special Fund to the Education Special Fund;
- (3) Clarifying that moneys in the Education Special Fund shall be used to develop and deliver instructional services to students in accordance with statewide educational policy;
- (4) Making the Board of Education, rather than the Superintendent of Education, responsible for enforcement; and
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

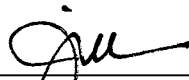
As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 686, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 686, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committees on Ways and Means
and Judiciary and Labor,



GILBERT S.C. KEITH-AGARAN, Chair




JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

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|--|--|-------------------------|-----|----------|
| Bill / Resolution No.:* SB 686, SD1 | Committee Referral: EDU, WAM/SDL | Date: 2/28/17 | | |
| <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 |
| TOKUDA, Jill N. (C) | / | | | |
| DELA CRUZ, Donovan M. (VC) | / | | | |
| ENGLISH, J. Kalani | / | | | |
| GALUTERIA, Brickwood | / | | | |
| HARIMOTO, Breene | | / | | / |
| INOUYE, Lorraine R. | | | | / |
| KAHELE, Kaiali'i | / | | | |
| RIVIERE, Gil | | / | | |
| SHIMABUKURO, Maile S.L. | / | | | |
| TANIGUCHI, Brian T. | | / | | |
| WAKAI, Glenn | | | | / |
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| TOTAL | 6 | 3 | | 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

