STAND. COM. REP. NO. 2147

Honolulu, Hawaii

, 2019

APR 05

RE: S.B. No. 19

S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 19, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SURPLUS LINES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Simplify the calculation of the surplus lines insurance premium tax rate by amending the calculation to tax the entirety of the premium using the rate established by state law, regardless of location of risk; and
- (2) Repeal the authority of the Insurance Commissioner to enter into interstate compacts to collect surplus lines premium taxes.

The American Property Casualty Association testified in support of this measure. The Department of Commerce and Consumer Affairs and Wholesale & Specialty Insurance Association provided comments.

Your Committee has amended this measure by changing the effective date to October 1, 2019.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 19, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 19, S.D. 2, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA MUKE, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature XSCR 2147

Record of Votes of the Committee on Finance

Ship Resolution No.:	Committee Referral:	Date:	3/29/19	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)				
3. ELI, Stacelynn K.M.				
4. GATES, Cedric Asuega				
5. HASHIMOTO, Troy N.				
6. HOLT, Daniel				
7. KITAGAWA, Lisa				
8. KOBAYASHI, Bertrand				
9. MATAYOSHI, Scot Z.				
10. NAKAMURA, Nadine K.				
11. NISHIMOTO, Scott Y.				
12. TODD, Chris				
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				
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TOTAL (15)	15	Ø	Ø	Ø
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				