

Honolulu, Hawaii

FEB 11 2020

RE: S.B. No. 2686

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Public Safety, Intergovernmental, and Military Affairs and Transportation, to which was referred S.B. No. 2686 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Extend the period that a county may adopt a surcharge on state tax, under certain conditions; and
- (2) Allow a county with a population equal to or less than five hundred thousand that adopts a surcharge on state tax to use the revenues for disaster relief.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i and one member of the Maui County Council. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that existing law authorized counties to establish a county surcharge on state taxes in order to financially assist the counties with operating or capital costs of public transportation. Your Committees further find that the




deadline for a county to establish a county surcharge was March 31, 2019. However, not all the counties were able to establish a surcharge by the mandated deadline, and therefore are burdened with the operating and capital costs of public transportation. Your Committees believe that providing an opportunity to establish a county surcharge will alleviate and equalize any financial burden of certain public transportation costs throughout the State. This measure will provide an additional opportunity to offset operating or capital costs of public transportation by extending the deadline for a county to establish a surcharge on state tax.

Your Committees have amended this measure by:

- (1) Changing the date the counties are required to adopt an ordinance to adopt a county surcharge on state tax from December 31, 2020 to September 30, 2020; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2686, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2686, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Public Safety,
Intergovernmental, and Military
Affairs and Transportation,


LORRAINE R. INOUE, Chair


CLARENCE K. NISHIHARA, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation
TRS

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2686	PSM/TRS, WAM	2/7/20		
<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
INOUYE, Lorraine R. (C)	✓			
HARIMOTO, Breene (VC)	✓			
ENGLISH, J. Kalani				✓
SHIMABUKURO, Maile S.L.	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Breene Hunt</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes