

STAND. COM. REP. NO. 2763

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 3163
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 Judiciary and Government Operations, to which was referred S.B. No. 3163 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC IMPACT STATEMENTS,"

beg leave to report as follows:

The purpose and intent of this measure is to require the Office of the Legislative Analyst to prepare economic impact statements that must be attached to a bill before the bill may pass out of either house of the Legislature.

Your Committees received testimony in support of this measure from the Department of Taxation; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Libertarian Party of Hawaii; Hawaii Food Industry Association; Island Plastic Bags, Inc.; and two individuals.

Your Committees find that it is important for decision-makers to have as much information as possible when making determinations regarding proposed legislation to make the best decisions for the public. Some states use some form of economic or fiscal impact statement to evaluate pending legislation. Your Committees find that economic impact statements can provide decision-makers and the general public with helpful, nonpartisan estimates of the economic impact of proposed legislation on state revenues and expenditures. This measure requires economic impact statements to accompany proposed legislation in the State. Such statements will



enable legislators to make informed decisions about the State's budget and whether a proposed bill has merit or should be revised to reduce costs or raise revenues.

Your Committees further find that the State established the Joint Legislative Budget Committee and Office of the Legislative Analyst, to be administered by the Committee, in 1990. Under existing statute, the purpose of the Office of the Legislative Analyst is to provide research and analysis on fiscal policy, budget submittals, and other economic matters, among other things. Your Committees' understanding is that this position has never been funded. This measure provides funding for the Office of the Legislative Analyst to enable it to prepare economic impact statements for the Legislature as part of the Legislative Branch.

Your Committees have amended this measure by:

- (1) Requiring economic impact statements beginning with the Regular Session of 2022;
- (2) Clarifying that the economic impact statement shall be made readily available, but not physically attached to a bill;
- (3) Providing that failure to prepare an economic impact statement shall not invalidate the vote of either chamber of the Legislature;
- (4) Specifying that each economic impact statement should additionally contain positive and negative effects in the short- and long-term and social benefits;
- (5) Expanding the definition of "economic impact statement" to include specific criteria;
- (6) Inserting an appropriation amount of \$350,000 for FY 2020-2021 for the Office of the Legislative Analyst; and
- (7) 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 Judiciary and Government Operations that are



attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3163, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3163, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Government Operations,



LAURA H. THIELEN, Chair



KARL RHOADS, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* <i>SB 3163</i>	Committee Referral: <i>JDC/GVO, WAM</i>	Date: <i>2/7/2020</i>
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike	/			
KIM, Donna Mercado				/
FEVELLA, Kurt	/			
TOTAL	4			1

Recommendation: Adopted Not Adopted

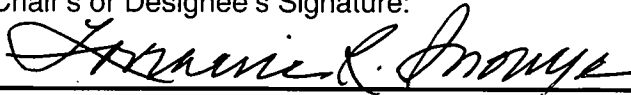
Chair's or Designee's Signature:

Distribution: Original Yellow Pink Goldenrod
File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes

The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB3163	Committee Referral: JDC/GVO, WAM	Date: 2/7/2020		
<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
THIELEN, Laura H. (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
BAKER, Rosalyn H.				✓
KANUHA, Dru Mamo	✓			
FEVELLA, Kurt	✓			
TOTAL	4			1
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				

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