

STAND. COM. REP. NO.

1633

Honolulu, Hawaii

APR 09 2021

RE: H.B. No. 1297
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1297, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE FINANCES,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure the transparent accounting and expenditure of non-general funds.

Specifically, the measure:

- (1) Requires each department to submit program measures, cost elements, and accounting reports for all non-general funds to the Legislature by October 1 of each year;
- (2) Specifies that the cigarette tax revenues shall be deposited to the credit of the cancer research special fund only until July 1, 2041, and that those moneys be used only for capital expenditures;
- (3) Provides that certain special funds be subject to deductions for central service expenses;
- (4) Statutorily establishes the cancer research center of Hawaii and establishes lines of reporting and other



administrative provisions relating to the cancer research center of Hawaii;

- (5) Prohibits certain uses of the tuition and fees special fund and research and training revolving funds; and
- (6) Amends from semi-annually to annually the reporting requirement for the Hawaii cancer research special fund.

Your Committee received written comments in support of this measure from one individual.

Your Committee received written comments in opposition to this measure from the University of Hawaii, Department of Land and Natural Resources, Hawaii Tourism Authority, American Cancer Society Cancer Action Network, UH Cancer Center, and two individuals.

Your Committee received written comments on this measure from the Department of Budget and Finance, Department of Taxation, Department of Defense, Department of Human Services, Department of Education, Tax Foundation of Hawaii, Hawaii Pacific Health, and Wilcox Medical Center.

Your Committee finds that section 36-27, Hawaii Revised Statutes, requires the Director of Finance to deduct five percent of all receipts of most special funds for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, unless exempted by that section. Your Committee further finds that eliminating this exemption for certain funds will help to address the State's budget shortfall due to the coronavirus disease 2019 pandemic.

Your Committee has amended this measure by:

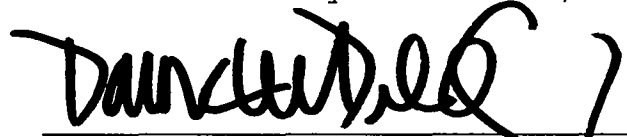
- (1) Requiring that annual reports regarding non-general funds be submitted to the Legislature no later than November 1, instead of October 1, of each year;
- (2) Correcting the text of section 36-27(a), Hawaii Revised Statutes, to correspond to the printed version of the Hawaii Revised Statutes;



- (3) Changing the effective date from July 1, 2050, to July 1, 2021; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 1297, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1297, H.D. 2, S.D. 2.

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

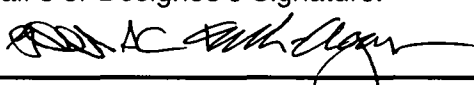


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 1297, HD 2, SD 1</i>	<i>HTH/HRE, WAM</i>	<i>4/1/21</i>		
<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)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	<i>11</i>			
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