

**NOTICE OF PROPOSED CONSTITUTIONAL AMENDMENTS TO
THE CONSTITUTION OF THE STATE OF HAWAII**

During the Regular Sessions of 2015 and 2016, Twenty-Eighth Legislature, two measures containing proposed constitutional amendments were adopted in conformance with the requirements specified in Article XVII, Section 3 of the Hawaii State Constitution.

S.B. No. 143, SD 1, HD 1

A BILL FOR AN ACT PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO CHANGE THE THRESHOLD VALUE IN CONTROVERSY REQUIREMENT FOR JURY TRIALS IN CIVIL CASES AT COMMON LAW FROM \$5,000 TO \$10,000.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this Act is to propose an amendment to article I, section 13, of the Constitution of the State of Hawaii to increase the threshold value in controversy requirement for jury trials in civil cases at common law from \$5,000 to \$10,000.

SECTION 2. Article I, section 13, of the Constitution of the State of Hawaii is amended to read as follows:

"TRIAL BY JURY, CIVIL CASES

Section 13. In suits at common law where the value in controversy shall exceed [five] ten thousand dollars, the right of trial by jury shall be preserved. The legislature may provide for a verdict by not less than three-fourths of the members of the jury."

SECTION 3. The question to be printed on the ballot shall be as follows:

"Shall the threshold value in controversy requirement for jury trials in civil cases at common law be increased from \$5,000 to \$10,000?"

SECTION 4. Constitutional material to be repealed is bracketed and stricken. New constitutional material is underscored.

SECTION 5. This amendment shall take effect upon compliance with article XVII, section 3, of the Constitution of the State of Hawaii.

Note: S.B. No. 143, SD 1, HD 1 passed Third Reading in the House of Representatives on April 14, 2015, with 47 Members voting in the affirmative, and passed Final Reading in the Senate on April 27, 2015, with 22 Members voting in the affirmative.

S.B. No. 2554

A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 6, OF THE HAWAII CONSTITUTION, RELATING TO THE DISPOSITION OF EXCESS REVENUES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this Act is to propose an amendment to article VII, section 6, of the Hawaii Constitution to amend the requirement for excess general fund revenues to be returned to the taxpayers of the State or deposited into a reserve fund.

The proposed amendment provides additional alternatives for the disposition of excess general fund revenues by allowing for the appropriation of general funds to pre-pay either:

- (1) General obligation bond debt service; or
- (2) Pension or other post-employment benefit liabilities.

These alternatives will enable the legislature to make general fund appropriations for purposes that result in long-term savings to the taxpayer. The pre-payment of long-term debt or unfunded liabilities

would represent the trade-off of immediate fulfillment in using excess cash for the long-term benefit of less fixed cost for future generations. Less fixed cost would confer more flexibility with respect to state revenue expenditure decisions in the future. The legislature believes that the use of the alternatives may promote the public interest and should be available for future legislatures.

It is the legislature's intent that the alternatives not be self-executing. The legislature intends that the alternatives be available only after statutory provisions are enacted to establish the conditions that the pre-payment must comply with in order to comport with this constitutional amendment.

SECTION 2. Article VII, section 6, of the Constitution of the State of Hawaii is amended to read as follows:

"Section 6. Whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years, the legislature in the next regular session shall [~~provide~~]:

- (1) Provide for a tax refund or tax credit to the taxpayers of the State, [~~or make~~] as provided by law;
- (2) Make a deposit into one or more funds, as provided by law, which shall serve as temporary supplemental sources of funding for the State in times of an emergency, economic downturn, or unforeseen reduction in revenue, as provided by law[~~;~~] or
- (3) Appropriate general funds for the pre-payment of either or both of the following, as provided by law:

(A) Debt service for general obligation bonds issued by the State;
or

(B) Pension or other post-employment benefit liabilities accrued for state employees.

For the purpose of this paragraph, "pre-payment" means a payment for a fiscal year in excess of the minimum payment required for that fiscal year by bond covenant or law."

SECTION 3. The question to be printed on the ballot shall be as follows:

"Shall the legislature be provided, when the state general fund balance at the close of each of two successive fiscal years exceeds five per cent of the general fund revenues for each of the two fiscal years, the additional alternatives of appropriating general funds for the pre-payment of either or both of the following:

- (1) Debt service for general obligation bonds issued by the State; or
- (2) Pension or other post-employment benefit liabilities accrued for state employees?"

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This amendment shall take effect upon compliance with article XVII, section 3, of the Constitution of the State of Hawaii.

Note: S.B. No. 2554 passed Third Reading in the House of Representatives on April 19, 2016, with 50 Members voting in the affirmative, and passed Third Reading in the Senate on March 8, 2016, with 24 Members voting in the affirmative.