STAND. COM. REP. NO. 1525

Honolulu, Hawaii

APR 0 4 2007

RE: H.B. No. 122

H.D. 1

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

## Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 122, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require public disclosure of any entity that receives a "state award".

Generally, a state award is defined as any legal or governmental entity that receives state financial assistance, including grants, subgrants, loans, awards, etc., not including single transactions less than \$25,000.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii. The Department of Budget and Finance submitted comments in opposition to the measure.

Your Committee finds that transparency and accountability in government allow citizens to more fully participate in the governmental process and promotes trust in those who are responsible for the expenditure of state funds.

This measure is consistent with this principle by requiring disclosure of all legal and governmental entities that receive state awards. Your Committee, however, is concerned with provisions that compromise the integrity of tax disclosure laws

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under title 14, Hawaii Revised Statutes, and has therefore amended the measure to ensure that all taxpayer related information remains confidential.

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. 122, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 122, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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

ROSALYN H. BAKER, Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:		- Commercial Commercia	Date:		
HB 122 1+D1	122 1+DI WAM			3/30/07		
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WF	7)	Nay	Excused
BAKER, Rosalyn H. (C)						
TSUTSUI, Shan S. (VC)						
CHUN OAKLAND, Suzanne		/				
ENGLISH, J. Kalani		/				
FUKUNAGA, Carol		/				
HOOSER, Gary L.		1				
KIM, Donna Mercado		/				
MENOR, Ron		/				
TOKUDA, JIII N.		/				
HEMMINGS, Fred						
WHALEN, Paul						
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TOTAL		10	0		0	
Recommendation:	Adopted	Not Adopted				
Chair's or Designee's Signature:						
Distribution: Original File with Committee	ee Report	Yellow Pink Clerk's Office Drafting Agency				