

STAND. COM. REP. NO. 1615

Honolulu, Hawaii

Aug: 19, 2009

RE: S.B. No. 884
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 884, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose of this bill is to address the State's budget shortfall by transferring an unspecified amount of funds, determined by the Legislature to be in excess, from the Deposit Beverage Container Deposit Special Fund and the Wireless Enhanced 911 Fund to the general fund.

The Department of Budget and Finance supported this bill. The State Fire Council, Honolulu Fire Department, Department of Health, Honolulu Police Department, Department of Information Technology of the City and County of Honolulu, Kauai Fire Department, Department of Environmental Management of the County of Hawaii, Department of Fire and Public Safety of the County of Maui, Department of Public Works of the County of Kauai, Reynolds Recycling, Island Recycling Incorporated, Goodwill Industries of Hawaii, Inc., Aloha Shell Service, AT&T, The Pepsi Bottling Group of Hawaii, and Coca-Cola Bottling Company of Hawaii opposed this measure. The Tax Foundation of Hawaii and American Beverage Association provided comments.

After further consideration, your Committee prepared a proposed draft that:

SB884 HD1 HSCR FIN HMS 2009-3697



- (1) Transfers excess funds, as determined by the Legislature, from numerous non-general funds to the general fund;
- (2) Repeals numerous provisions exempting certain special funds from assessments for central service and departmental administrative expenses;
- (3) Provides for the temporary transfer of interest earned on short-term investment or deposit of moneys of certain special funds, revolving funds, and special accounts into the general fund;
- (4) Temporarily suspends the distribution of a portion of the conveyance tax to the Land Conservation Fund; and
- (5) Temporarily reduces the portions of the conveyance tax distributed to the Rental Housing Trust Fund and Natural Area Reserve Fund.

A second public hearing was scheduled to receive testimony on the proposed draft. During this hearing, the Hawaii Government Employees Association supported this measure. Offering comments on the proposed draft were: the State Fire Council, Honolulu Fire Department, Honolulu Police Department, Department of Information Technology of the City and County of Honolulu, Department of Water of Kauai County, Department of Public Works of Kauai County, University of Hawaii, Board of Publications, Research Corporation of the University of Hawaii, The Arc of Hilo, Sierra Club, Hawaii Chapter, Conservation Council for Hawaii, KAHEA-The Hawaiian-Environmental Alliance, The Pepsi Bottling Group, Coca-Cola Bottling Company of Hawaii, The National Emergency Numbering Association, CTIA-The Wireless Association, National Tropical Botanical Garden, Campus Center Board at the University of Hawaii at Manoa, Land Use Research Foundation of Hawaii, and several concerned individuals testified in opposition to the proposed House Draft 1. The Department of Budget and Finance, Department of Accounting and General Services, Department of Agriculture, Hawaii Housing Finance and Development Corporation, Department of Health, Department of Human Services, Department of Commerce and Consumer Affairs, Department of Transportation, Hawaii Tourism Authority, Hawaii Public Housing Authority, Department of Land and Natural Resources, Office of Planning, Department of the Attorney General, Campaign Spending Commission, Department of Environmental Management of the County of Hawaii, Tax Foundation of Hawaii,



16/5

American Beverage Association, Nature Conservancy Hawaii Program, Hawaii Insurers Council, The Trust for Public Land Hawaii, Housing Hawaii, Mr. K's Recycle and Redemption Center, and numerous concerned individuals commented on this measure.

After considering the testimony, your Committee has adopted the provisions of the proposed draft. Additional amendments were made to the proposed draft that include, among other things:

- (1) Changing the sums to be transferred from certain special funds to the general fund;
- (2) Reconsidering the deletion of certain special funds to be exempt from assessments for central service and departmental administrative expenses;
- (3) Deleting certain non-general funds from the temporary transfer of interest earned or deposit of moneys into the general fund; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 884, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 884, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 1615

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 884, SD 2		Committee Referral: FIN		Date: April 7, 2009	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)		✓			
2. LEE, Marilyn B. (VC)		✓			
3. AQUINO, Henry J.C.		✓			
4. AWANA, Karen Leinani		✓			
5. BROWER, Tom		✓			
6. CHOY, Isaac W.		✓			
7. COFFMAN, Denny		✓			
8. HAR, Sharon E.		✓			
9. KEITH-AGARAN, Gilbert S.C.		✓			
10. LEE, Chris		✓			
11. NISHIMOTO, Scott Y.		✓			
12. SAGUM, Roland D., III					✓
13. TOKIOKA, James Kunane		✓			
14. WOOLEY, Jessica		✓			
15. YAMASHITA, Kyle T.		✓			
16. PINE, Kymberly Marcos					✓
17. WARD, Gene		✓			
TOTAL (17)		15	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: <u>Marilyn B. Lee</u>					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					