STAND. COM. REP. NO. 438

Honolulu, Hawaii

Fe 519, 2009

RE: H.B. No. 37

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

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 37 entitled:

"A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 6, OF THE HAWAII CONSTITUTION, TO REPEAL THE REQUIREMENT THAT A TAX REFUND OR TAX CREDIT BE PROVIDED TO TAXPAYERS WHENEVER THE GENERAL FUND BALANCE AT THE CLOSE OF TWO SUCCESSIVE FISCAL YEARS EXCEEDS FIVE PERCENT OF GENERAL FUND REVENUES FOR EACH OF THE TWO FISCAL YEARS,"

begs leave to report as follows:

The purpose of this bill is to propose a constitutional amendment to Article VII, Section 6, of the Hawaii Constitution, to repeal the requirement that a tax refund or tax credit be provided to taxpayers whenever the general fund balance at the close of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years.

The Department of Budget and Finance and Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committee notes that many possible mechanisms must be examined by the Legislature to address the efficiency of financing state government. These include the mechanism specified in this measure as well as other measures currently before the Legislature that propose to deposit excess funds into the emergency and budget reserve fund. Your Committee respectfully requests that the Committee on Finance take these measures into consideration.

HB37 HSCR JUD HMS 2009-2201



As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

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State of Hawaii House of Representatives The Twenty-fifth Legislature

HSCR 478

Record of Votes of the Committee on Judiciary

Bill/Resolution No.:	Committee Referral:	Date	_ ,	
HB37	JUD, FIN		2/12/	09
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. KARAMATSU, Jon Riki (C)				
2. ITO, Ken (VC)				
3. BELATTI, Della Au				
4. CABANILLA, Rida				
5. CARROLL, Mele				V
6. HERKES, Robert N.				37.22HZH20.2
7. LUKE, Sylvia				
8. McKELVEY, Angus L.K.				
9. MIZUNO, John M.	V.			
10. MORITA, Hermina M.		3009/2016/3/Sec. (1975-2/Sec.)		eraneme ann e state
11. OSHIRO, Blake K.				
12. SOUKI, Joseph M.				EZUS EZ KANZUNA KINSTONIA
13. TSUJI, Clift				
14. WAKAI, Glenn			Section of the Salar	
15. MARUMOTO, Barbara C.		V		
16. THIELEN, Cynthia			V	
	410100000000000000000000000000000000000			
TOTAL (16)	12	2	1	1
The recommendation is: Adopted If joint referral, did not support recommendation. comprise acronym(s)				
Vice Chair's or designee's signature:				
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