STAND. COM. REP. NO. 727

Honolulu, Hawaii M. 2009

RE: H.B. No. 573 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 H.B. No. 573 entitled:

"A BILL FOR AN ACT RELATING TO EMERGENCY AND BUDGET RESERVE FUND,"

begs leave to report as follows:

The purpose of this bill is to build up the State's financial reserves in preparation for the next economic downturn.

This bill requires that whenever the State general fund balance at the close of any fiscal year represents a carryover cash surplus, the Director of Finance shall deposit 15 percent of the balance into the Emergency and Budget Reserve Fund (Fund).

The Hawaii Government Employees Association testified in support of this bill. The Department of Budget and Finance and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- Replacing the specific percentage of the cash surplus to be deposited into the Fund with provisions requiring that up to an unspecified percentage be deposited;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and



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(3) Making technical, nonsubstantive amendments for clarity, consistency, 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 H.B. No. 573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 573, 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



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 573	Committee Referral: FIN		Date: Feb 18,2009	
□ 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) 				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)				
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.	V			
4. AWANA, Karen Leinani	مسن			
5. BROWER, Tom	r			
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	<u>~</u>			
13. TOKIOKA, James Kunane	-			
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.	/			
16. PINE, Kymberly Marcos	/			
17. WARD, Gene				
TOTAL (17)	17-	0	0	0
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Marily B. Lee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

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