STAND. COM. REP. NO.

354

Honolulu, Hawaii

FEB 1 6 2017

RE: S.B. No. 103

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 103 entitled:

"A BILL FOR AN ACT RELATING TO THE DISPOSITION OF EXCESS GENERAL FUNDS AUTHORIZED UNDER ARTICLE VII, SECTION 6, OF THE CONSTITUTION OF THE STATE OF HAWAII,"

begs leave to report as follows:

The purpose and intent of this measure is to implement the state constitutional amendment in S.B. No. 2554, Regular Session of 2016, that authorizes the disposition of excess general fund revenues to pre-pay general obligation bond debt service, other post-employment benefit liability, and pension liability.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Employees' Retirement System, and one individual. Your Committee received comments on this measure from the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that S.B. No. 2554, Regular Session of 2016, proposed a constitutional amendment to provide the Legislature alternatives in the disposition of excess general revenues in addition to its then existing options, which included providing a tax refund or tax credit, or depositing excess funds into one or more emergency and budget reserve funds. The constitutional amendment was ratified on November 8, 2016. Your Committee finds that this measure is necessary to implement Article VII, section 6, of the Hawaii State Constitution.

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Your Committee has amended this measure by:

- (1) As recommended by the EUTF, clarifying that the option to pre-pay other post-employment benefit liability requires payments to reduce future annual required contributions, not the amortization period;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 103, S.D. 1, and be referred to your Committee on Ways and Means.

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

GILBERT S.C. KEITH-AGARAN, Chair

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:* SB103	Committee Referral: JDL, WAM		Da	Date: 2/9/17	
The Committee is recor	nsidering its	previous d	ecision on th	nis measure.	
The Recommendation is:				···	
Pass, unamended 2312	Pass, wit	h amendm 311	ents	lold	Recommit 2313
Members		Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)		_/			
RHOADS, Karl (VC)					
GABBARD, Mike					
KIM, Donna Mercado					
THIELEN, Laura H.					
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TOTAL		5	0	0	0
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes