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Honolulu, Hawaii

MAR 2 8 2018

RE: S.R. No. 118

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committees on Economic Development, Tourism, and Technology and Government Operations, to which was referred S.R. No. 118 entitled:

"SENATE RESOLUTION REQUESTING THE GOVERNOR AND LEGISLATURE TO CONVENE A JOINT TASK FORCE TO IDENTIFY AND EXAMINE POTENTIAL SOURCES OF INCREASED REVENUE AND MEASURES TO REDUCE STATE COSTS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Request the Governor and Legislature to convene a joint task force to identify ways to:
 - (A) Collect uncollected revenues;
 - (B) Generate revenue by enacting tax measures that have minimal impact on families with low- and moderate-incomes; and
 - (C) Reduce costs by re-describing positions and eliminating unnecessary vacancies in various state departments and agencies;
- (2) Request the Governor to share the Governor's six-year financial plan with the Legislature no later than twenty days prior to the convening of each regular session; and



(3) Encourage the joint task force to meet every fiscal quarter to review and update the financial plan as necessary.

Your Committees received testimony in support of this measure from the Department of Budget and Finance. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that the State is not collecting the full amount of revenue owed from sources such as the transient accommodations tax from illegal transient vacation rentals, hotel resort fees, and online transient accommodation intermediaries. Your Committees further find that several measures have been proposed for consideration this regular session that would enforce or clarify existing tax laws, or increase revenue generated from various sources, to create financial stability. However, prior to enacting these measures, your Committees feel that more collaborative work between the Legislature and the Executive Branch would better identify areas where the State can generate more revenue and make the State more efficient. Your Committees believe that a joint task force to address these issues is imperative to thoroughly examine the options, share information and ideas, and make fiscally prudent decisions for the State's future.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 118 and recommend that it be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committees on Economic Development, Tourism, and Technology and Government Operations,

GLENN WAKAI

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The Senate Twenty-Ninth Legislature State of Hawai'i

Record of Votes Committee on Economic Development, Tourism, and Technology ETT

Bill / Resolution No.:*	Committee F		Dat						
SR 118	ETTGNO, WAY 3/23/18								
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 (WR)	Nay	Excused				
WAKAI, Glenn (C)		V			•••				
TANIGUCHI, Brian T. (VC)									
BAKER, Rosalyn H.									
GALUTERIA, Brickwood									
THIELEN, Laura H.									
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Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
Distribution: Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy									

*Only one measure per Record of Votes

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Government Operations GVO

Bill / Resolution No.:*	Committee Referral: Date: Date:							
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 (WR)	Nay	Excused			
KIM, Donna Mercado (C)		X						
RUDERMAN, Russell E. (VC)		イ						
GALUTERIA, Brickwood		<u> </u>						
KEITH-AGARAN, Gilbert S.C.		2/						
RHOADS, Karl		· X						
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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								

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