Honolulu, Hawaii

, 2020

FEB 27

RE: H.B. No. 1990

H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1990, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to support the educational and transportation needs of Hawaii by:

- (1) Establishing a state improvement surcharge on general excise and use tax revenue;
- (2) Establishing an Educational Infrastructure Special Fund for the Department of Education or any other entity responsible for school facilities to augment the capacity and infrastructure of its facilities and programs;
- (3) Distributing monies from the state improvement surcharge to the Department of Transportation to protect the state highway system from the threat of inundation and damage caused by climate change as well as to augment the capacity and infrastructure of the State's highways; and
- (4) Directing certain percentages of the state improvement surcharge revenues to the compound interest bond reserve

fund, hurricane reserve trust fund, and other postemployment benefits trust fund.

Your Committee received testimony in support of this measure from the Department of Education, Department of Transportation, and Education Caucus of the Democratic Party of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance and NAIOP Hawaii. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Hawaii State Teachers Association.

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. 1990, H.D. 2, and recommends that it pass Third Reading.

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

SYLVIA LUKE, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature

Record of Votes of the Committee on Finance

HB 1990 HM2 Committee	e Referral:	Date:	2-21-21	020
☐ 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. LUKE, Sylvia (C)	✓			
2. CULLEN, Ty J.K. (VC)	✓			
3. ELI, Stacelynn K.M.				
4. GATES, Cedric Asuega				
5. HASHIMOTO, Troy N.			/	
6. HOLT, Daniel				
7. KITAGAWA, Lisa				
8. KOBAYASHI, Bertrand				
9. MATAYOSHI, Scot Z.				
10. NAKAMURA, Nadine K.	/			
11. NISHIMOTO, Scott Y.	/			
12. TODD, Chris				
13. WILDBERGER, Tina				✓
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				/
			······································	
TOTAL (15)	8	2	3	2
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				