Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 353
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred H.B. No. 353 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT REVENUES,"

begs leave to report as follows:

The purpose of this measure is to:

(1) Require the Legislature to consider whether counties have maximized their existing sources of revenue prior to appropriating monies as a grant-in-aid to the counties; and

(2) Require any county that provides tax credits or tax exemptions to report to the Legislature prior to the beginning of a Regular Session with a calculation of revenues that the county did not receive as a result of each tax credit or tax exemption provided by the county in the preceding fiscal year.

Your Committee received testimony in support of this measure from the Office of Community Services and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that this measure is intended to improve the effectiveness of grant applications made by the counties to

the State. Requiring the counties to report to the Legislature regarding a calculation of tax revenues each county did not receive as a result of tax credits or tax exemptions will promote fiscal responsibility and good government.
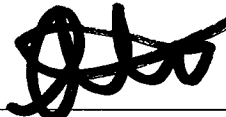
Your Committee has amended this measure by:

(1) Removing language that would require the Legislature to consider whether counties have maximized their existing sources of revenue prior to appropriating monies as a grant-in-aid to the counties;

(2) Changing its effective date to July 1, 2112, to encourage further discussion; and

(3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that this measure, as introduced, requires the Legislature to consider whether each county has maximized all of its sources of revenue prior to appropriating monies as a grant-in-aid to the counties. Your Committee recognizes that a current Legislature cannot bind future Legislatures with future legislation to be passed and has accordingly amended this measure to remove those provisions.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 353, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Government Reform,

_____
ANGUS L.K. McKELVEY, Chair

2021-1832 HB353 HD1 HSCR HMSO

HscR 530

Record of Votes of the Committee on Government Reform

Bill/Resolution No.: HB 353	Committee Referral: GVR, FIN	Date: 2-17-21

❑ 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)

GVR Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. WILDBERGER, Tina (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. ELI, Stacelynn K.M.	✓			
5. ICHIYAMA, Linda	✓			
6. MIZUNO, John M.				✓
7. WOODSON, Justin H.				✓
8. YAMASHITA, Kyle T.	✓			
9. WARD, Gene				✓
TOTAL (9)	6	0	0	3

The recommendation is: ☒ Adopted ❑ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____