

Honolulu, Hawaii

MAY 01 2015

RE: S.B. No. 1297
S.D. 1
H.D. 1
C.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1297, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DISPOSITION OF TAX REVENUES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to address the disposition of tax revenues collected under the cigarette tax and tobacco tax law.

More specifically, this measure:

- (1) Specifies that tax revenues that are currently distributed to the trauma system special fund, community health centers special fund, and emergency medical services special fund shall be realizations of the general fund after June 30, 2015; and



- (2) Appropriates general fund moneys to programs currently funded by cigarette tax and tobacco tax distributions.

Your Committee on Conference finds that continuing to distribute cigarette tax revenues to the trauma system special fund, community health centers special fund, and emergency medical services special fund will provide a more reliable funding source for the programs supported by those special funds. However, your Committee also finds that having no limit on the amount of tax revenues that may be deposited into these special funds is not fiscally responsible. Your Committee on Conference further finds that placing a cap on the amount of cigarette tax revenues received by these special funds will promote budgetary planning and transparency by:

- (1) Making forecasts of general fund revenues more reliable;
- (2) Increasing legislative oversight of the agencies and programs supported by those special funds; and
- (3) Increasing competition for limited public funds among agencies and programs.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Retaining the distribution of tax revenues to the trauma system special fund, community health centers special fund, and emergency medical services special fund;
- (2) Establishing, effective after June 30, 2015, maximum dollar amounts that shall be distributed to those special funds;
- (3) Reducing, effective after June 30, 2015, the distribution to the trauma system special fund from 1.5 cents per cigarette to 1.125 cents per cigarette;
- (4) Providing for the transfer of moneys from the trauma system special fund into the general fund if the ending balance exceeds a certain amount at the end of a fiscal year;



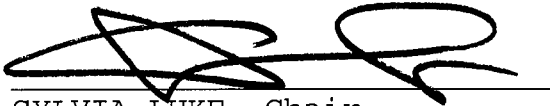
- (5) Deleting the general fund appropriation sections;
- (6) Changing the effective date to July 1, 2015; and
- (7) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1297, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1297, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



SYLVIA LUKE, Chair



JILL N. TOKUDA, Chair



CCR 127

Hawaii State Legislature

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1297, SD 1, HD 1	Date/Time: 4/30/15 @ 7:09 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
TOKUDA, Jill N., Chr.	✓				LUKE, Sylvia, Chr.	✓			
KOUCHI, Ronald D.	✓				JOHANSON, Aaron Ling	✓			
SLOM, Sam				✓	WARD, Gene	✓			
TOTAL	2			1	TOTAL	3			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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