

Honolulu, Hawaii

May 1, 2015

RE: H.B. No. 134
H.D. 1
S.D. 2
C.D. 1

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

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

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 134, H.D. 1, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

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 extend the county surcharge on state general excise and use taxes, which was enacted by Act 247, Session Laws of Hawaii 2005 (Surcharge). Among other things, this measure:

- (1) Caps the maximum authorized Surcharge rate at one-half percent and amends the purposes for which Surcharge revenues may be used;



- (2) Authorizes the extension of the Surcharge by a county that has already adopted an ordinance from January 1, 2023, until December 31, 2027, while limiting the use of Surcharge revenues to capital costs;
- (3) Authorizes counties that have not yet established a Surcharge to do so, subject to certain requirements; and
- (4) Requires certain actions by the board of the transit agency that is constructing the locally preferred alternative for a mass transit project funded by the Surcharge.

After careful deliberation, your Committee on Conference has amended this measure by:

- (1) Delaying the date when an adopted Surcharge may be collected by an additional year to January 1, 2018;
- (2) Clarifying that "public lands" include the air rights over county mass transit projects in the State;
- (3) Removing the requirement that the board of directors of a transit agency constructing a locally preferred alternative for a mass transit project conduct annual audits and submit reports;
- (4) Requiring that the Surcharge cannot be levied prior to:
 - (A) January 1, 2007, if the Surcharge was established by an ordinance adopted prior to December 31, 2005; or
 - (B) January 1, 2018, if the Surcharge was established by an ordinance adopted after June 30, 2015, but prior to July 1, 2016; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, 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 H.B. No. 134, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 134, H.D. 1, S.D. 2, C.D. 1.



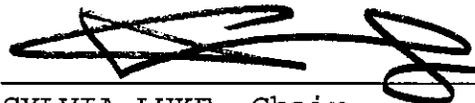
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



CLARENCE K. NISHIHARA, Chair



SYLVIA LUKE, Chair



WILL ESPERO, Co-Chair

JILL N. TOKUDA, Co-Chair

Hawaii State Legislature

CCR 166

Record of Votes of a
Conference Committee

| | |
|--|--|
| Bill / Concurrent Resolution No.: HB 134, HD 1, SD 2 | Date/Time: FRI MAY 1, 2015 3:50 PM |
|--|--|

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

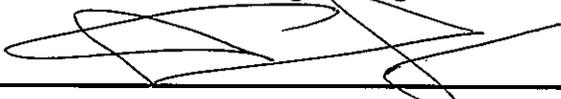
| Senate Managers | A | WR | N | E | House Managers | A | WR | N | E |
|------------------------------|----------|----------|----------|----------|----------------------|----------|----------|----------|----------|
| NISHIHARA, Clarence K., Chr. | ✓ | | | | LUKE, Sylvia, Chr. | ✓ | | | |
| ESPERO, Will, Co-Chr. | ✓ | | | | AQUINO, Henry J.C. | ✓ | | | |
| TOKUDA, Jill N., Co-Chr. | ✓ | | | | ONISHI, Richard H.K. | ✓ | | | |
| HARIMOTO, Breene | ✓ | | | | MCDERMOTT, Bob | | | | ✓ |
| KOUCHI, Ronald D. | ✓ | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| TOTAL | 5 | 0 | 0 | 0 | TOTAL | 3 | 0 | 0 | 1 |

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

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


Distribution: **Original** **Yellow** **Pink** **Goldenrod**
 File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency