Honorable Ronald D. Kouchi  
President of the Senate 
Thirtieth State Legislature 
Regular Session of 2019 
State of Hawaii 

Sir:  

Your Committee on Ways and Means, to which was referred S.B. No. 494 entitled:  

"A BILL FOR AN ACT RELATING TO THE GENERAL FUND BALANCE,"  

begs leave to report as follows:  

The purpose and intent of this measure is to dispose of excess general revenues pursuant to article VII, section 6, of the Hawaii State Constitution.  

More specifically, this measure:  

(1) Provides a one-time income tax credit;  

(2) Reappropriates general revenues into the emergency and budget reserve fund; and  

(3) Reappropriates general revenues into the other post-employment benefits trust fund.  

Your Committee received comments on this measure from the Department of Budget and Finance and the Tax Foundation of Hawaii.  

Your Committee finds that when the balance of the general fund at the close of each of two successive fiscal years has exceeded five per cent of the general fund revenues for both
fiscal years, article VII, section 6, of the Hawaii State Constitution requires the Legislature to:

(1) Provide a tax refund or tax credit to state taxpayers;

(2) Make a deposit into the emergency and budget reserve fund; or

(3) Appropriate general funds for:

   (A) Debt service of general obligation bonds issued by the State; or

   (B) Deposit into the other post-employment benefits trust fund.

Your Committee further finds that the aforementioned economic conditions have been met, and that this measure allows the Legislature to decide which of the three constitutionally mandated options is preferable.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 494, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

[Signature]

DONOVAN M. DELA CRUZ, Chair
The Senate
Thirtieth Legislature
State of Hawai‘i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 494

Committee Referral: WAM

Date: 2/5/19

☐ 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

Members

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<tr>
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<th>Aye</th>
<th>Aye (WR)</th>
<th>Nay</th>
<th>Excused</th>
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<td>DELA CRUZ, Donovan M. (C)</td>
<td>X</td>
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<td>KEITH-AGARAN, Gilbert S.C. (VC)</td>
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<td>ENGLISH, J. Kalani</td>
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<td>HARAMOTO, Breene</td>
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<td>INOUYE, Lorraine R.</td>
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<td>KAHELE, Kaiāli‘i</td>
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<td>KANUHA, Dru Mamo</td>
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<td>KIDANI, Michelle N.</td>
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<td>MORIWAKI, Sharon Y.</td>
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<td>RIVIERE, Gil</td>
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<td>FEVELLA, Kurt</td>
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TOTAL

10

Recommendation:
☐ Adopted
☐ Not Adopted

Chair's or Designee's Signature:

Distribution:

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Yellow
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Goldenrod
Committee File Copy

*Only one measure per Record of Votes

Revised: 12/19/18