

Honolulu, Hawaii

FEB 11 2019

RE: S.B. No. 494
S.D. 1

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:

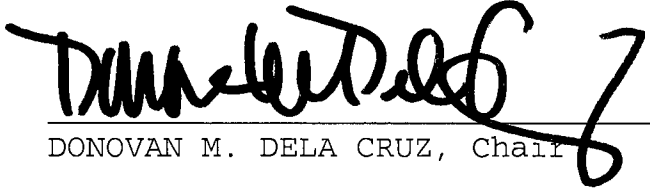
- (1) Provide a tax refund or tax credit to state taxpayers;
- (2) Make a deposit into the emergency and budget reserve fund; or
- (3) Appropriate general funds for:
 - (A) Debt service of general obligation bonds issued by the State; or
 - (B) Deposit into the other post-employment benefits trust fund.

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,


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		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	10			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes