

Honolulu, Hawaii

**MAY 01 2015**

RE: S.B. No. 1299  
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. 1299, 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 and intent of this measure is to address budgetary planning and transparency in the disposition of conveyance tax revenues.

Specifically, the measure:

- (1) Establishes maximum amounts to be distributed to various non-general funds from the conveyance tax;
- (2) Amends the list of non-general funds that receive distributions from the conveyance tax; and



- (3) Appropriates moneys to programs that were formerly supported by the conveyance tax.

Your Committee on Conference finds that budgetary planning and transparency are key components to ensuring the ongoing fiscal health of the State. Your Committee on Conference believes that, by establishing maximum amounts to be distributed to various non-general funds from the conveyance tax, this measure will make forecasts of general fund revenues more reliable, will increase legislative oversight of agencies and programs supported by the non-general funds, and will subject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds.

Your Committee on Conference has amended this measure by:

- (1) Replacing or changing and clarifying the measure's appropriation amounts and authorizations to provide funding as follows:
- (A) Authorizing the Governor to transfer funds appropriated in this measure to the same program ID in the Executive Budget for natural area reserves and watershed management (LNR407);
  - (B) Deleting appropriations for the Humpback Whale Sanctuary co-manager position and ecosystem protection and restoration;
  - (C) Deleting funding for the operations of the Kure Atoll Field Station;
  - (D) Deleting funding for community fisheries enforcement units;
  - (E) Deleting funding for historic preservation positions and equipment;
  - (F) Deleting funding for the digitization of historic preservation records;
  - (G) \$2,832,996 for FY 2015-2016 and the same sum for FY 2016-2017 to fund positions and other operating expenditures in forestry - resource management and development (LNR172) for forest reserve management,



natural area partnership, and forest stewardship programs, after joint consultation with the Forest Stewardship Committee and the Natural Area Reserves System Commission, and authorizing the Governor to transfer these funds to the same program ID in the Executive Budget;

- (H) \$3,405,749 for FY 2015-2016 and the same sum for FY 2016-2017 to fund positions and other operating expenditures in the native resources and fire protection program (LNR402) for endangered species, watershed, and fire protection and authorizing the Governor to transfer these funds to the same program ID in the Executive Budget;
- (I) \$1,500,000 for FY 2015-2016 and the same sum for FY 2016-2017 for the native resources and fire protection program (LNR402) for fire, natural disaster, and emergency response equipment and other current expenses of the native resources and fire protection program;
- (J) \$4,000,000 for FY 2015-2016 and the same sum for FY 2016-2017 for the native resources and fire protection program (LNR402) to be expended as directed by the Hawaii Invasive Species Council for invasive species programs statewide and authorizing the Hawaii Invasive Species Council to transfer these funds to other state departments to implement the Council's directions;
- (K) \$1,000,000 for FY 2015-2016 and the same sum for FY 2016-2017 for LNR - natural and physical environment (LNR906) for the Kahoolawe Island Reserve Commission;
- (L) \$101,715 for FY 2015-2016 and the same sum for FY 2016-2017 to fund positions and other expenditures in LNR - natural and physical environment (LNR906) for administrative operating expenses and authorizing the Governor to transfer these funds to the same program ID in the Executive Budget;
- (M) \$350,000 for FY 2015-2016 and the same sum for FY 2016-2017 for the funding of soil and water conservation districts in water and land development (LNR141); and



(N) \$76,260 for FY 2015-2016 and \$152,520 for FY 2016-2017 to fund positions to support the implementation of the Hawaii ocean resources management plan in ecosystem protection and restoration (LNR401); and

(2) Changing the effective date to July 1, 2015.

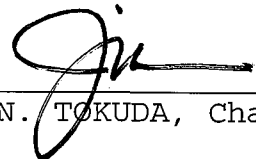
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1299, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1299, 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

  
\_\_\_\_\_  
RYAN J. YAMANE, Co-Chair

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair

  
\_\_\_\_\_  
SYLVIA LUKE, Co-Chair



Record of Votes of a  
Conference Committee

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|---|-----------------------------------|
| Bill / Concurrent Resolution No.:<br><b>SB 1299, HD 1</b> | Date/Time:<br>May 1, 2015 8:59 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.

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| <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. | ✓        |          |          |          | YAMANE, Ryan I., Co-Chr. | ✓        |          |          |          |
| DELA CRUZ, Donovan M. | ✓        |          |          |          | LUKE, Sylvia, Co-Chr.    | ✓        |          |          |          |
| KOUCHI, Ronald D.     | ✓        |          |          |          | JOHANSON, Aaron Ling     | ✓        |          |          |          |
|                       |          |          |          |          | POUHA, Feki              | ✓        |          |          |          |
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| <b>TOTAL</b>          | <b>3</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>TOTAL</b>             | <b>4</b> | <b>0</b> | <b>0</b> | <b>0</b> |

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

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