

STAND. COM. REP. NO.

354

Honolulu, Hawaii

FEB 16 2017

RE: S.B. No. 103
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 103 entitled:

"A BILL FOR AN ACT RELATING TO THE DISPOSITION OF EXCESS
GENERAL FUNDS AUTHORIZED UNDER ARTICLE VII, SECTION 6, OF THE
CONSTITUTION OF THE STATE OF HAWAII,"

begs leave to report as follows:

The purpose and intent of this measure is to implement the
state constitutional amendment in S.B. No. 2554, Regular Session
of 2016, that authorizes the disposition of excess general fund
revenues to pre-pay general obligation bond debt service, other
post-employment benefit liability, and pension liability.

Your Committee received testimony in support of this measure
from the Department of Budget and Finance, the Employees'
Retirement System, and one individual. Your Committee received
comments on this measure from the Hawaii Employer-Union Health
Benefits Trust Fund.

Your Committee finds that S.B. No. 2554, Regular Session of
2016, proposed a constitutional amendment to provide the
Legislature alternatives in the disposition of excess general
revenues in addition to its then existing options, which included
providing a tax refund or tax credit, or depositing excess funds
into one or more emergency and budget reserve funds. The
constitutional amendment was ratified on November 8, 2016. Your
Committee finds that this measure is necessary to implement
Article VII, section 6, of the Hawaii State Constitution.

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Your Committee has amended this measure by:

- (1) As recommended by the EUTF, clarifying that the option to pre-pay other post-employment benefit liability requires payments to reduce future annual required contributions, not the amortization period;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 103, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


GILBERT S.C. KEITH-AGARAN, Chair



