
A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. Many unprecedented events have converged to
3 create an economic, financial, and fiscal environment that
4 threatens the very foundation of our national economy. Problems
5 that arose in the national housing sector and sub-prime mortgage
6 market last year have radiated from Wall Street to Main Street.
7 Across the United States, the result has been increasing
8 business bankruptcies and closures, lower consumer confidence
9 and spending, and job losses and rising unemployment.

10 For state governments, the financial crisis and economic
11 downturn have adversely impacted tax revenues and budgets. Most
12 states, like Hawaii, rely on income and sales taxes as their
13 main sources of revenues. The slowdown in employment and
14 consumer spending has reduced state revenues nationwide at a
15 time when operating costs continue to rise.

16 Hawaii is experiencing a severe contraction in its visitor,
17 retail, and construction industries. As a consequence, the



1 council on revenues has lowered its revenue projections five
2 times during 2008 and, once again, at the beginning of January
3 2009. The cumulative effect of these successive reductions in
4 revenue estimates for fiscal years 2008-2009, 2009-2010, and
5 2010-2011 is a substantial decrease in the amount of general
6 funds that the State can expect in the immediate and near
7 future. Given the level of spending and the anticipated rising
8 cost of state operations, a \$1,760,000,000 general fund budget
9 shortfall is projected by the end of fiscal year 2010-2011 if
10 corrective action is not taken.

11 The legislature finds that due to the extraordinary fiscal
12 crisis the State faces, non-general funds must be reviewed and
13 scrutinized to determine if excess balances are available. The
14 legislature further finds that transfers of excess balances are
15 needed to help address the critical budget shortfall in fiscal
16 biennium 2009-2011.

17 SECTION 2. Section 138-3, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "[+] §138-3 [+] **Wireless enhanced 911 fund.** There is
20 established outside the state treasury a special fund, to be
21 known as the wireless enhanced 911 fund, to be administered by
22 the board. The fund shall consist of amounts collected under



1 section 138-4. ~~[Moneys paid into the fund are not general fund~~
2 ~~revenues of the State.]~~ The board shall place the funds in an
3 interest-bearing account at any federally insured financial
4 institution, separate and apart from the general fund of the
5 State. Moneys in the fund shall be expended exclusively by the
6 board for the purposes of ensuring adequate cost recovery for
7 the deployment of phase I and phase II wireless enhanced 911
8 service and for expenses of administering the fund. Any funds
9 that accumulate in the wireless enhanced 911 fund shall be
10 retained in the fund unless determined by the legislature to be
11 in excess."

12 SECTION 3. Section 342G-104, Hawaii Revised Statutes, is
13 amended by amending subsection (c) to read as follows:

14 "(c) Any funds that accumulate in the deposit beverage
15 container deposit special fund shall be retained in the fund
16 unless determined by the ~~[auditor]~~ legislature to be in excess [~~7~~
17 ~~after adjustments to the deposit beverage fee, pursuant to the~~
18 ~~management and financial audits conducted in accordance with~~
19 ~~section 342G-107]~~."

20 SECTION 4. The legislature determines that there is in the
21 wireless enhanced 911 fund at least \$9,000,000 in excess of the
22 requirements of the fund. On June 29, 2009, the director of



1 finance is authorized to transfer from the wireless enhanced 911
2 fund to the general fund the sum of \$9,000,000 or so much
3 thereof as may be necessary for fiscal year 2008-2009.

4 SECTION 5. The legislature determines that there is in the
5 deposit beverage container deposit special fund at least
6 \$20,000,000 in excess of the requirements of the fund. On June
7 29, 2009, the director of finance is authorized to transfer from
8 the deposit beverage container deposit special fund to the
9 general fund the sum of \$20,000,000 or so much thereof as may be
10 necessary for fiscal year 2008-2009.

11 PART II

12 SECTION 6. The legislature finds that section 37-53,
13 Hawaii Revised Statutes, provides the governor nearly unlimited
14 authority to transfer non-general funds to the general fund.
15 Section 37-53 provides that:

16 At any time during a fiscal year, notwithstanding any
17 other law to the contrary, any department may, with
18 the approval of the governor or the director of
19 finance if so delegated by the governor, transfer from
20 any special fund relating to such department to the
21 general revenues of the State all or any portion of
22 moneys determined to be in excess of fiscal year



1 requirements for such special fund, except for special
2 funds under the control of the department of
3 transportation relating to highways, airports,
4 transportation use, and harbors activities, special
5 funds under the control of the Hawaii health systems
6 corporation or subaccounts under the control of its
7 regional system boards, and special funds of the
8 University of Hawaii. At any time the department of
9 transportation, with the approval of the governor or
10 the director of finance if so delegated by the
11 governor, may transfer from any special fund under the
12 control of the department of transportation, or from
13 any account within any such special fund, to the
14 general revenues of the State or to any other special
15 fund under the control of the department of
16 transportation all or any portion of moneys determined
17 to be in excess of requirements for the ensuing twelve
18 months determined as prescribed by rules adopted
19 pursuant to chapter 91; provided that no such transfer
20 shall be made which would cause a violation of federal
21 law or federal grant agreements.



1 This part mandates the transfer of non-general funds to the
2 general fund.

3 SECTION 7. The legislature determines that there is in the
4 agricultural loan reserve fund at least \$500,000 in excess of
5 the requirements of the fund. On June 1, 2009, the director of
6 finance is authorized to transfer from the agricultural loan
7 reserve fund to the general fund the sum of \$500,000 or so much
8 thereof as may be necessary for fiscal year 2008-2009.

9 SECTION 8. The legislature determines that there is in the
10 agricultural loan revolving fund at least \$1,000,000 in excess
11 of the requirements of the fund. On June 1, 2009, the director
12 of finance is authorized to transfer from the agricultural loan
13 revolving fund to the general fund the sum of \$1,000,000 or so
14 much thereof as may be necessary for fiscal year 2008-2009.

15 SECTION 9. The legislature determines that there is in the
16 state risk management revolving fund at least \$5,000,000 in
17 excess of the requirements of the fund. On June 1, 2009, the
18 director of finance is authorized to transfer from the state
19 risk management revolving fund to the general fund the sum of
20 \$5,000,000 or so much thereof as may be necessary for fiscal
21 year 2008-2009.



1 SECTION 10. The legislature determines that there is in
2 the stadium special fund at least \$1,500,000 in excess of the
3 requirements of the fund. On June 1, 2009, the director of
4 finance is authorized to transfer from the stadium special fund
5 to the general fund the sum of \$1,500,000 or so much thereof as
6 may be necessary for fiscal year 2008-2009.

7 SECTION 11. The legislature determines that there is in
8 the medicaid investigations recovery fund at least \$1,500,000 in
9 excess of the requirements of the fund. On June 1, 2009, the
10 director of finance is authorized to transfer from the medicaid
11 investigations recovery fund to the general fund the sum of
12 \$1,500,000 or so much thereof as may be necessary for fiscal
13 year 2008-2009.

14 SECTION 12. The legislature determines that there is in
15 the state identification revolving fund at least \$600,000 in
16 excess of the requirements of the fund. On June 1, 2009, the
17 director of finance is authorized to transfer from the state
18 identification revolving fund to the general fund the sum of
19 \$600,000 or so much thereof as may be necessary for fiscal year
20 2008-2009.

21 SECTION 13. The legislature determines that there is in
22 the hydrogen investment capital special fund at least \$2,000,000



1 in excess of the requirements of the fund. On June 1, 2009, the
2 director of finance is authorized to transfer from the hydrogen
3 investment capital special fund to the general fund the sum of
4 \$2,000,000 or so much thereof as may be necessary for fiscal
5 year 2008-2009.

6 SECTION 14. The legislature determines that there is in
7 the housing finance revolving fund at least \$2,000,000 in excess
8 of the requirements of the fund. On June 1, 2009, the director
9 of finance is authorized to transfer from the housing finance
10 revolving fund to the general fund the sum of \$2,000,000 or so
11 much thereof as may be necessary for fiscal year 2008-2009.

12 SECTION 15. The legislature determines that there is in
13 the rental assistance revolving fund at least \$10,000,000 in
14 excess of the requirements of the fund. On June 1, 2009, the
15 director of finance is authorized to transfer from the rental
16 assistance revolving fund to the general fund the sum of
17 \$10,000,000 or so much thereof as may be necessary for fiscal
18 year 2008-2009.

19 SECTION 16. The legislature determines that there is in
20 the compliance resolution fund at least \$3,300,000 in excess of
21 the requirements of the fund. On June 1, 2009, the director of
22 finance is authorized to transfer from the compliance resolution



1 fund to the general fund the sum of \$3,300,000 or so much
2 thereof as may be necessary for fiscal year 2008-2009.

3 SECTION 17. The legislature determines that there is in
4 the drug demand reduction assessments special fund at least
5 \$1,000,000 in excess of the requirements of the fund. On June
6 1, 2009, the director of finance is authorized to transfer from
7 the drug demand reduction assessments special fund to the
8 general fund the sum of \$1,000,000 or so much thereof as may be
9 necessary for fiscal year 2008-2009.

10 SECTION 18. The legislature determines that there is in
11 the Hawaii tobacco settlement special fund at least \$33,000,000
12 in excess of the requirements of the fund. On June 1, 2009, the
13 director of finance is authorized to transfer from the Hawaii
14 tobacco settlement special fund to the general fund the sum of
15 \$33,000,000 or so much thereof as may be necessary for fiscal
16 year 2008-2009.

17 SECTION 19. The legislature determines that there is in
18 the neurotrauma special fund at least \$1,500,000 in excess of
19 the requirements of the fund. On June 1, 2009, the director of
20 finance is authorized to transfer from the neurotrauma special
21 fund to the general fund the sum of \$1,500,000 or so much
22 thereof as may be necessary for fiscal year 2008-2009.



1 SECTION 20. The legislature determines that there is in
2 the noise, radiation, and indoor air quality special fund at
3 least \$300,000 in excess of the requirements of the fund. On
4 June 1, 2009, the director of finance is authorized to transfer
5 from the noise, radiation, and indoor air quality special fund
6 to the general fund the sum of \$300,000 or so much thereof as
7 may be necessary for fiscal year 2008-2009.

8 SECTION 21. The legislature determines that there is in
9 the environmental health education fund at least \$400,000 in
10 excess of the requirements of the fund. On June 1, 2009, the
11 director of finance is authorized to transfer from the
12 environmental health education fund to the general fund the sum
13 of \$400,000 or so much thereof as may be necessary for fiscal
14 year 2008-2009.

15 SECTION 22. The legislature determines that there is in
16 the emergency medical services special fund at least \$12,000,000
17 in excess of the requirements of the fund. On June 1, 2009, the
18 director of finance is authorized to transfer from the emergency
19 medical services special fund to the general fund the sum of
20 \$12,000,000 or so much thereof as may be necessary for fiscal
21 year 2008-2009.



1 SECTION 23. The legislature determines that there is in
2 the vital statistics improvement special fund at least \$500,000
3 in excess of the requirements of the fund. On June 1, 2009, the
4 director of finance is authorized to transfer from the vital
5 statistics improvement special fund to the general fund the sum
6 of \$500,000 or so much thereof as may be necessary for fiscal
7 year 2008-2009.

8 SECTION 24. The legislature determines that there is in
9 the clean air special fund at least \$8,000,000 in excess of the
10 requirements of the fund. On June 1, 2009, the director of
11 finance is authorized to transfer from the clean air special
12 fund to the general fund the sum of \$8,000,000 or so much
13 thereof as may be necessary for fiscal year 2008-2009.

14 SECTION 25. The legislature determines that there is in
15 the environmental management special fund at least \$4,000,000 in
16 excess of the requirements of the fund. On June 1, 2009, the
17 director of finance is authorized to transfer from the
18 environmental management special fund to the general fund the
19 sum of \$4,000,000 or so much thereof as may be necessary for
20 fiscal year 2008-2009.

21 SECTION 26. The legislature determines that there is in
22 the driver education and training fund at least \$400,000 in



1 excess of the requirements of the fund. On June 1, 2009, the
2 director of finance is authorized to transfer from the driver
3 education and training fund to the general fund the sum of
4 \$400,000 or so much thereof as may be necessary for fiscal year
5 2008-2009.

6 SECTION 27. The legislature determines that there is in
7 the judiciary computer system special fund at least \$1,500,000
8 in excess of the requirements of the fund. On June 1, 2009, the
9 director of finance is authorized to transfer from the judiciary
10 computer system special fund to the general fund the sum of
11 \$1,500,000 or so much thereof as may be necessary for fiscal
12 year 2008-2009.

13 SECTION 28. The legislature determines that there is in
14 the special fund for disability benefits at least \$6,000,000 in
15 excess of the requirements of the fund. On June 1, 2009, the
16 director of finance is authorized to transfer from the special
17 fund for disability benefits to the general fund the sum of
18 \$6,000,000 or so much thereof as may be necessary for fiscal
19 year 2008-2009.

20 SECTION 29. The legislature determines that there is in
21 the salvinia molesta removal special fund at least \$90,000 in
22 excess of the requirements of the fund. On June 1, 2009, the



1 director of finance is authorized to transfer from the salvinia
2 molesta removal special fund to the general fund the sum of
3 \$90,000 or so much thereof as may be necessary for fiscal year
4 2008-2009.

5 SECTION 30. The legislature determines that there is in
6 the special land and development fund at least \$2,000,000 in
7 excess of the requirements of the fund. On June 1, 2009, the
8 director of finance is authorized to transfer from the special
9 land and development fund to the general fund the sum of
10 \$2,000,000 or so much thereof as may be necessary for fiscal
11 year 2008-2009.

12 SECTION 31. The legislature determines that there is in
13 the Na Ala Hele program fund at least \$200,000 in excess of the
14 requirements of the fund. On June 1, 2009, the director of
15 finance is authorized to transfer from the Na Ala Hele program
16 fund to the general fund the sum of \$200,000 or so much thereof
17 as may be necessary for fiscal year 2008-2009.

18 PART III

19 SECTION 32. The purpose of this part is to repeal the
20 provisions that exempts certain special funds from assessments
21 for central service and departmental administrative expenses.



SECTION 33. Section 21D-5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The Hawaii legislative publications special fund shall not be subject to section ~~[36-27, 36-30, or]~~ 37-53."

SECTION 34. Section 36-27, Hawaii Revised Statutes, is amended to read as follows:

"§36-27 Transfers from special funds for central service expenses. Except as provided in this section, and notwithstanding any other law to the contrary, from time to time, the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

(1) Special out-of-school time instructional program fund under section 302A-1310;

(2) School cafeteria special funds of the department of education;

(3) Special funds of the University of Hawaii;

(4) State educational facilities improvement special fund;

(5) Convention center enterprise special fund under section 201B-8;

~~[(6) Special funds established by section 206E-6;~~

~~-(7) Housing loan program revenue bond special fund;~~



- 1 ~~(8) Housing project bond special fund;~~
- 2 ~~(9) Aloha Tower fund created by section 206J 17;~~
- 3 ~~(10)]~~ (6) Funds of the employees' retirement system created
- 4 by section 88-109;
- 5 ~~[(11)]~~ (7) Unemployment compensation fund established under
- 6 section 383-121;
- 7 ~~[(12)]~~ (8) Hawaii hurricane relief fund established under
- 8 chapter 431P;
- 9 ~~[(13)]~~ ~~Hawaii health systems corporation special funds and~~
- 10 ~~the subaccounts of its regional system boards;~~
- 11 ~~(14)]~~ (9) Tourism special fund established under section
- 12 201B-11;
- 13 ~~[(15)]~~ ~~Universal service fund established under chapter 269;~~
- 14 ~~(16)]~~ (10) Emergency and budget reserve fund under section
- 15 328L-3;
- 16 ~~[(17)]~~ (11) Public schools special fees and charges fund
- 17 under section 302A-1130(f);
- 18 ~~[(18)]~~ (12) Sport fish special fund under section 187A-9.5;
- 19 and
- 20 ~~[(19)]~~ ~~Neurotrauma special fund under section 321H 4;~~
- 21 ~~(20)]~~ ~~Deposit beverage container deposit special fund under~~
- 22 ~~section 342G 104;~~



~~(21) Glass advance disposal fee special fund established by
section 342G-82;~~

~~(22) Center for nursing special fund under section 304A-
2163;~~

~~(23)]~~ (13) Passenger facility charge special fund
established by section 261-5.5[;

~~(24) Solicitation of funds for charitable purposes special
fund established by section 467B-15;~~

~~(25) Land conservation fund established by section 173A-5;~~

~~(26) Court interpreting services revolving fund under
section 607-1.5;~~

~~(27) Trauma system special fund under section 321-22.5;~~

~~(28) Hawaii cancer research special fund;~~

~~(29) Community health centers special fund;~~

~~(30) Emergency medical services special fund; and~~

~~(31) Rental motor vehicle customer facility charge special
fund established under section 261-5.6;],~~

shall deduct five per cent of all receipts of all [other]
special funds, which deduction shall be transferred to the
general fund of the State and become general realizations of the
State. All officers of the State and other persons having power
to allocate or disburse any special funds shall cooperate with



1 the director in effecting these transfers. To determine the
2 proper revenue base upon which the central service assessment is
3 to be calculated, the director shall adopt rules pursuant to
4 chapter 91 for the purpose of suspending or limiting the
5 application of the central service assessment of any fund. No
6 later than twenty days prior to the convening of each regular
7 session of the legislature, the director shall report all
8 central service assessments made during the preceding fiscal
9 year."

10 SECTION 35. Section 36-30, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) Each special fund, except the:

13 (1) Transportation use special fund established by section
14 261D-1;

15 (2) Special out-of-school time instructional program fund
16 under section 302A-1310;

17 (3) School cafeteria special funds of the department of
18 education;

19 (4) Special funds of the University of Hawaii;

20 (5) State educational facilities improvement special fund;

21 ~~[(6) Special funds established by section 206E-6;~~

22 ~~-(7) Aloha Tower fund created by section 206J-17;~~



1 ~~(8)~~ (6) Funds of the employees' retirement system created
2 by section 88-109;
3 ~~[(9)]~~ (7) Unemployment compensation fund established under
4 section 383-121;
5 ~~[(10)]~~ (8) Hawaii hurricane relief fund established under
6 ~~[chapter 431P,]~~ section 431P-2;
7 ~~[(11)]~~ (9) Convention enter enterprise special fund
8 established under section 201B-8;
9 ~~[(12)]~~ ~~Hawaii health systems corporation special funds and~~
10 ~~the subaccounts of its regional system boards;~~
11 ~~(13)]~~ (10) Tourism special fund established under section
12 201B-11;
13 ~~[(14)]~~ ~~Universal service fund established under chapter 269;~~
14 ~~(15)]~~ (11) Emergency and budget reserve fund under section
15 328L-3;
16 ~~[(16)]~~ (12) Public schools special fees and charges fund
17 under section 302A-1130(f);
18 ~~[(17)]~~ (13) Sport fish special fund under section 187A-9.5;
19 ~~[(18)]~~ ~~Neurotrauma special fund under section 321H-4;~~
20 ~~(19)]~~ ~~Center for nursing special fund under section 304A-~~
21 ~~2163,]~~ and



1 ~~[(20)]~~ (14) Passenger facility charge special fund
2 established by section 261-5.5[~~7~~
3 ~~(21) Court interpreting services revolving fund under~~
4 ~~section 607-1.5;~~
5 ~~(22) Trauma system special fund under section 321-22.5;~~
6 ~~(23) Hawaii cancer research special fund;~~
7 ~~(24) Community health centers special fund;~~
8 ~~(25) Emergency medical services special fund; and~~
9 ~~(26) Rental motor vehicle customer facility charge special~~
10 ~~fund established under section 261-5.6],~~

11 shall be responsible for its pro rata share of the
12 administrative expenses incurred by the department responsible
13 for the operations supported by the special fund concerned."

14 SECTION 36. Section 201-85, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§201-85 Exemptions.** The department is authorized to hire
17 employees necessary to staff its out-of-state offices subject to
18 chapter 76 and legislative appropriations. The department may
19 also appoint such other employees exempt from chapter 76 as may
20 be necessary to administer the affairs of its out-of-state
21 offices. The initial appointment shall not exceed three years,
22 during which time the department shall submit to the legislature



1 a request for approval prior to continuation of the position.

2 The department shall set the duties, responsibilities, salaries,
3 holidays, vacations, leaves, hours of work, and working

4 conditions for these employees. Subject to the approval of the
5 director of budget and finance, the department may be exempted
6 from the following state laws only to the extent necessary for
7 the conduct of its business in operating out-of-state offices:

8 ~~[(1) Sections 36-27 and 36-30, relating to special fund~~
9 ~~transfers and reimbursements to the general fund,~~

10 ~~-(2)]~~ (1) Chapter 36, relating to management of state
11 funds;

12 ~~[(3)]~~ (2) Chapter 38, relating to deposits of public funds;

13 ~~[(4)]~~ (3) Chapter 40, relating to audit and accounting,
14 except that the department shall comply with section
15 40-81;

16 ~~[(5)]~~ (4) Chapter 76, relating to civil service;

17 ~~[(6) Chapter 77, relating to compensation,~~

18 ~~-(7)]~~ (5) Section 78-1, relating to public employment,
19 except when expressly hiring personnel subject to
20 section 78-1; and

21 ~~[(8)]~~ (6) Section 171-30, relating to acquisition of real
22 property.



1 All moneys necessary for the establishment and operation of
2 out-of-state offices shall be allocated by the legislature
3 through appropriations out of the state general fund. The
4 department shall include in its budgetary request for each
5 upcoming fiscal period, the amounts necessary to effectuate the
6 purposes of this section."

7 SECTION 37. Section 304A-3005, Hawaii Revised Statutes, is
8 amended to read as follows:

9 " ~~[f]~~ §304A-3005 ~~[f]~~ **Research corporation excepted from**
10 **certain state laws.** To carry out the purposes and objectives of
11 the research corporation, including the conduct of research and
12 training projects, the research corporation shall be granted
13 flexibility in hiring its personnel and in handling and
14 disbursing moneys by being excepted from the following state
15 laws:

16 ~~[(1)] Sections 36-27 and 36-30, relating to special fund~~
17 ~~reimbursements to the state general fund,~~

18 ~~-(2)]~~ (1) Chapter 103D, relating to advertising for bids
19 and purchases to be made in Hawaii whenever public
20 moneys are expended;

21 ~~[(3)]~~ (2) Chapter 76, relating to civil service; and

22 ~~[(4)]~~ (3) Section 78-1, relating to public employment."



1 SECTION 38. Section 342D-82, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) In addition to any other power or duty prescribed by
4 law, the director shall:

5 (1) Establish fiscal controls and accounting procedures at
6 least sufficient to assure proper accounting for
7 appropriate accounting periods of payments,
8 disbursements, revenues, and fees received and made
9 for fund balances at the beginning and end of the
10 accounting period;

11 (2) Comply with sections 39-61 and 39-62 and ensure that
12 any revenue bonds issued are excluded from the state
13 constitutional debt ceiling. The revolving fund is a
14 "special fund" within the meaning of ~~[Article]~~ article
15 VII, section 13, of the ~~[State]~~ Hawaii Constitution
16 and part III of chapter 39 ~~[- The revolving fund is~~
17 ~~not a "special fund" within the meaning of sections~~
18 ~~36-27 and 36-30]~~; and

19 (3) No later than twenty days prior to the convening of
20 each regular session of the legislature, submit to the
21 legislature a financial report addressing the



1 operations of the revolving fund during the last
2 completed fiscal year."

3 SECTION 39. Section 261D-3, Hawaii Revised Statutes, is
4 repealed.

5 ~~["[§261D-3] Exempted from reimbursement for departmental~~
6 ~~administrative expenses. The transportation use special fund is~~
7 ~~exempted from section 36-30."]~~

8 PART IV

9 SECTION 40. The purpose of this part is to provide for the
10 temporary transfer into the general fund of interest earned on
11 short-term investment or deposit of moneys of certain special
12 funds, revolving funds, and special accounts.

13 This part does not require the temporary transfer of any
14 fee or user charge collected from a beneficiary of a state
15 service. It only provides for the temporary transfer of
16 interest earned on the unexpended fee or charge. Thus, the
17 legislature intends that this part be in conformance with state
18 judicial interpretation concerning the proper use of the
19 proceeds from a fee or user charge established by a state
20 agency.

21 SECTION 41. (a) Notwithstanding any other law to the
22 contrary, from July 1, 2009, until June 30, 2015, the director



1 of finance shall deposit into the general fund the interest
2 earned on the short-term investment of moneys of the special
3 funds, revolving funds, and special accounts listed in this
4 section. For purposes of this section, "short-term investment"
5 means an investment made by the director of finance in
6 accordance with section 36-21, Hawaii Revised Statutes.

7 This subsection shall be applicable to the following
8 special funds, revolving funds, and special accounts:

- 9 (1) Hawaii historic preservation special fund -- section
10 6E-16, Hawaii Revised Statutes;
- 11 (2) Captain Cook memorial fund -- section 6E-33, Hawaii
12 Revised Statutes;
- 13 (3) Hawaii election campaign fund -- section 11-217,
14 Hawaii Revised Statutes;
- 15 (4) Hawaii legislative publications special fund --
16 section 21D-5, Hawaii Revised Statutes;
- 17 (5) Human resources development special fund -- section
18 26-5(f), Hawaii Revised Statutes;
- 19 (6) Compliance resolution fund -- section 26-9(o), Hawaii
20 Revised Statutes;
- 21 (7) Tobacco enforcement special fund -- section 28-15,
22 Hawaii Revised Statutes;



- 1 (8) Medicaid investigations recovery fund -- section 28-
2 91.5, Hawaii Revised Statutes;
- 3 (9) Interagency federal revenue maximization revolving
4 fund -- section 29-24, Hawaii Revised Statutes;
- 5 (10) Litigated claims fund -- section 40-35, Hawaii Revised
6 Statutes;
- 7 (11) State risk management revolving fund -- section 41D-4,
8 Hawaii Revised Statutes;
- 9 (12) Surplus federal property revolving fund -- section
10 103D-1107, Hawaii Revised Statutes;
- 11 (13) State motor pool revolving fund -- section 105-11,
12 Hawaii Revised Statutes;
- 13 (14) Public works project assessment fund -- section 107-
14 1.5, Hawaii Revised Statutes;
- 15 (15) State parking revolving fund -- section 107-11(e),
16 Hawaii Revised Statutes;
- 17 (16) Stadium special fund -- section 109-3, Hawaii Revised
18 Statutes;
- 19 (17) Kapolei recreational sports complex special fund --
20 section 109-9, Hawaii Revised Statutes;
- 21 (18) Major disaster fund -- section 127-11, Hawaii Revised
22 Statutes;



- 1 (19) Environmental response revolving fund -- section 128D-
2 2, Hawaii Revised Statutes;
- 3 (20) Aquaculture development special fund -- section 141-
4 2.7, Hawaii Revised Statutes;
- 5 (21) Animal quarantine special fund -- section 142-28.5,
6 Hawaii Revised Statutes;
- 7 (22) Certification services revolving fund -- section 147-
8 101, Hawaii Revised Statutes;
- 9 (23) Seal of quality special fund -- section 148-67, Hawaii
10 Revised Statutes;
- 11 (24) Pesticide use revolving fund -- section 149A-13.5,
12 Hawaii Revised Statutes;
- 13 (25) Pest inspection, quarantine, and eradication fund --
14 section 150A-4.5, Hawaii Revised Statutes;
- 15 (26) Permit revolving fund -- section 150A-6.7, Hawaii
16 Revised Statutes;
- 17 (27) Agricultural loan revolving fund -- section 155-14,
18 Hawaii Revised Statutes;
- 19 (28) Milk control special fund -- section 157-29, Hawaii
20 Revised Statutes;
- 21 (29) Waiahole water system revolving fund -- section 163D-
22 15.5, Hawaii Revised Statutes;



- 1 (30) Hawaii agricultural development revolving fund --
2 section 163D-17, Hawaii Revised Statutes;
- 3 (31) Agricultural park special fund -- section 166-10,
4 Hawaii Revised Statutes;
- 5 (32) Non-agricultural park lands special fund -- section
6 166E-7, Hawaii Revised Statutes;
- 7 (33) Irrigation system revolving fund -- section 167-22,
8 Hawaii Revised Statutes;
- 9 (34) Irrigation water development special fund -- section
10 167-22.5, Hawaii Revised Statutes;
- 11 (35) Irrigation repair and maintenance special fund --
12 section 167-24, Hawaii Revised Statutes;
- 13 (36) Special land and development fund -- section 171-19,
14 Hawaii Revised Statutes;
- 15 (37) Infrastructure development fund -- section 171-19.5,
16 Hawaii Revised Statutes;
- 17 (38) Land conservation fund -- section 173A-5, Hawaii
18 Revised Statutes;
- 19 (39) Water resource management fund -- section 174C-5.5,
20 Hawaii Revised Statutes;
- 21 (40) Dam and reservoir safety special fund -- section 179D-
22 25, Hawaii Revised Statutes;



- 1 (41) State parks special fund -- section 184-3.4, Hawaii
2 Revised Statutes;
- 3 (42) Firefighter's contingency fund -- section 185-4(d),
4 Hawaii Revised Statutes;
- 5 (43) Natural area reserve fund -- section 195-9, Hawaii
6 Revised Statutes;
- 7 (44) Forest stewardship fund -- section 195F-4, Hawaii
8 Revised Statutes;
- 9 (45) Energy security special fund -- section 201-12.8,
10 Hawaii Revised Statutes;
- 11 (46) Hawaii television and film development special fund --
12 section 201-113, Hawaii Revised Statutes;
- 13 (47) Convention center enterprise special fund -- section
14 201B-8, Hawaii Revised Statutes;
- 15 (48) Tourism special fund -- section 201B-11, Hawaii
16 Revised Statutes;
- 17 (49) Housing finance revolving fund -- section 201H-80,
18 Hawaii Revised Statutes;
- 19 (50) Kikala-Keokea housing revolving fund -- section 201H-
20 81, Hawaii Revised Statutes;
- 21 (51) Pineapple workers and retirees housing assistance fund
22 -- section 201H-85, Hawaii Revised Statutes;



- 1 (52) Rental assistance revolving fund -- section 201H-123,
2 Hawaii Revised Statutes;
- 3 (53) Dwelling unit revolving fund -- section 201H-191,
4 Hawaii Revised Statutes;
- 5 (54) Renewable energy facility siting special fund --
6 section 201N-11, Hawaii Revised Statutes;
- 7 (55) Hawaii community development revolving fund -- section
8 206E-16, Hawaii Revised Statutes;
- 9 (56) Kalaeloa community development revolving fund --
10 section 206E-195, Hawaii Revised Statutes;
- 11 (57) Aloha Tower fund -- section 206J-17, Hawaii Revised
12 Statutes;
- 13 (58) High technology special fund -- section 206M-15.5,
14 Hawaii Revised Statutes;
- 15 (59) Hawaii technology loan revolving fund -- section 206M-
16 15.6, Hawaii Revised Statutes;
- 17 (60) State disaster revolving loan fund -- section 209-34,
18 Hawaii Revised Statutes;
- 19 (61) Hawaii community-based economic development revolving
20 fund -- section 210D-4, Hawaii Revised Statutes;
- 21 (62) Hawaii strategic development corporation revolving
22 fund -- section 211F-5, Hawaii Revised Statutes;



- 1 (63) Cancer detection development revolving fund -- section
2 211F-5.5, Hawaii Revised Statutes;
- 3 (64) Hydrogen investment capital special fund -- section
4 211F-5.7, Hawaii Revised Statutes;
- 5 (65) Capital formation revolving fund -- section 211G-16,
6 Hawaii Revised Statutes;
- 7 (66) Foreign-trade zones special fund -- section 212-9,
8 Hawaii Revised Statutes;
- 9 (67) Aquaculture loan revolving fund -- section 219-4,
10 Hawaii Revised Statutes;
- 11 (68) Statewide geospatial information and data integration
12 special fund -- section 225M-7, Hawaii Revised
13 Statutes;
- 14 (69) Natural energy laboratory of Hawaii authority special
15 fund -- section 227D-5, Hawaii Revised Statutes;
- 16 (70) Tax administration special fund -- section 235-20.5,
17 Hawaii Revised Statutes;
- 18 (71) Cigarette tax stamp administrative special fund --
19 section 245-41.5, Hawaii Revised Statutes;
- 20 (72) Rental motor vehicle customer facility charge special
21 fund -- section 261-5.6, Hawaii Revised Statutes;



- 1 (73) Ferry project special fund -- section 268-2.6, Hawaii
2 Revised Statutes;
- 3 (74) Universal service fund -- section 269-42, Hawaii
4 Revised Statutes;
- 5 (75) Driver education and training fund -- section 286G-2,
6 Hawaii Revised Statutes;
- 7 (76) Ignition interlock special fund -- section 291E-5,
8 Hawaii Revised Statutes;
- 9 (77) Education research and development revolving fund --
10 section 302A-305, Hawaii Revised Statutes;
- 11 (78) Department of education federal revenue maximization
12 program revolving fund -- section 302A-1406, Hawaii
13 Revised Statutes;
- 14 (79) Office of health care assurance special fund --
15 section 321-1.4, Hawaii Revised Statutes;
- 16 (80) Community health centers special fund -- section 321-
17 1.65, Hawaii Revised Statutes;
- 18 (81) Trauma system special fund -- section 321-22.5, Hawaii
19 Revised Statutes;
- 20 (82) Environmental health education fund -- section 321-27,
21 Hawaii Revised Statutes;



- 1 (83) Children with special health needs special fund --
2 section 321-53, Hawaii Revised Statutes;
- 3 (84) Emergency medical services special fund -- section
4 321-234, Hawaii Revised Statutes;
- 5 (85) Financial assistance fund for hemophilia -- section
6 321-281, Hawaii Revised Statutes;
- 7 (86) Early intervention special fund -- section 321-355,
8 Hawaii Revised Statutes;
- 9 (87) Public health nursing services special fund -- section
10 321-432, Hawaii Revised Statutes;
- 11 (88) Neurotrauma special fund -- section 321H-4, Hawaii
12 Revised Statutes;
- 13 (89) State health planning and development special fund --
14 section 323D-12.6, Hawaii Revised Statutes;
- 15 (90) Health systems special fund -- section 323F-21(a),
16 Hawaii Revised Statutes;
- 17 (91) Hawaii organ and tissue education special fund --
18 section 327-24, Hawaii Revised Statutes;
- 19 (92) Hawaii tobacco settlement special fund -- section
20 328L-2, Hawaii Revised Statutes;
- 21 (93) Controlled substance registration revolving fund --
22 section 329-59, Hawaii Revised Statutes;



- 1 (94) Mental health and substance abuse special fund --
2 section 334-15, Hawaii Revised Statutes;
- 3 (95) Vital statistics improvement special fund -- section
4 338-14.6, Hawaii Revised Statutes;
- 5 (96) Electronic device recycling fund -- section 339D-10,
6 Hawaii Revised Statutes;
- 7 (97) Wastewater treatment certification board special fund
8 -- section 340B-3.5, Hawaii Revised Statutes;
- 9 (98) Environmental management special fund -- section 342G-
10 63, Hawaii Revised Statutes;
- 11 (99) Deposit beverage container deposit special fund --
12 section 342G-104, Hawaii Revised Statutes;
- 13 (100 Leaking underground storage tank fund -- section 342L-
14 51, Hawaii Revised Statutes;
- 15 (101 Asbestos and lead abatement special fund -- section
16 342P-8, Hawaii Revised Statutes;
- 17 (102 Public assistance emergency fund -- section 346-53(f),
18 Hawaii Revised Statutes;
- 19 (103) Rx plus special fund -- section 346-318, Hawaii
20 Revised Statutes;
- 21 (104) State pharmacy assistance program special fund --
22 section 346-345, Hawaii Revised Statutes;



- 1 (105) Long-term care benefits fund -- section 346C-5, Hawaii
2 Revised Statutes;
- 3 (106) Blind shop revolving and handicraft fund -- section
4 347-12, Hawaii Revised Statutes;
- 5 (107) Randolph-Sheppard revolving account -- section 347-
6 12.5, Hawaii Revised Statutes;
- 7 (108) Commercial exploitation of crime special account --
8 section 351-84, Hawaii Revised Statutes;
- 9 (109) Youth correctional facilities' benefit fund -- section
10 352-21, Hawaii Revised Statutes;
- 11 (110) Correctional facility stores revolving funds --
12 section 353-31, Hawaii Revised Statutes;
- 13 (111) Federal reimbursement maximization special fund --
14 section 353C-7, Hawaii Revised Statutes;
- 15 (112) Correctional industries revolving fund -- section
16 354D-10, Hawaii Revised Statutes;
- 17 (113) Public housing revolving fund -- section 356D-28,
18 Hawaii Revised Statutes;
- 19 (114) Housing project bond special funds -- section 356D-28,
20 Hawaii Revised Statutes;
- 21 (115) State low-income housing revolving fund -- section
22 356D-45, Hawaii Revised Statutes;



- 1 (116) Housing for elders revolving fund -- section 356D-72,
2 Hawaii Revised Statutes;
- 3 (117) Stevedoring fund -- section 382-5, Hawaii Revised
4 Statutes;
- 5 (118) Special unemployment insurance administration fund --
6 section 383-127, Hawaii Revised Statutes;
- 7 (119) Employment and training fund -- section 383-128,
8 Hawaii Revised Statutes;
- 9 (120) Special premium supplementation fund -- section 393-
10 41, Hawaii Revised Statutes;
- 11 (121) Hoisting machine operators' certification revolving
12 fund -- section 396-20, Hawaii Revised Statutes;
- 13 (122) Commissioner's education and training fund -- section
14 431:2-214, Hawaii Revised Statutes;
- 15 (123) Special drivers education fund account -- section
16 431:10C-115, Hawaii Revised Statutes;
- 17 (124) Captive insurance administrative fund -- section
18 431:19-101.8, Hawaii Revised Statutes;
- 19 (125) Loss mitigation grant fund -- section 431:22-102,
20 Hawaii Revised Statutes;
- 21 (126) Dietitian licensure special fund -- section 448B-10,
22 Hawaii Revised Statutes;



- 1 (127) Notaries public revolving fund -- section 456-9.5,
2 Hawaii Revised Statutes;
- 3 (128) Solicitation of funds for charitable purposes special
4 fund -- section 467B-15, Hawaii Revised Statutes;
- 5 (129) Petroleum industry monitoring, analysis, and reporting
6 special fund -- section 486J-5.6, Hawaii Revised
7 Statutes;
- 8 (130) Bureau of conveyances special fund -- section 502-8,
9 Hawaii Revised Statutes;
- 10 (131) Fee simple residential revolving fund -- section 516-
11 44, Hawaii Revised Statutes;
- 12 (132) DNA registry special fund -- section 706-603, Hawaii
13 Revised Statutes;
- 14 (133) Drug demand reduction assessments special fund --
15 section 706-650, Hawaii Revised Statutes;
- 16 (134) Criminal forfeiture fund -- section 712A-16, Hawaii
17 Revised Statutes;
- 18 (135) Criminal history record improvement revolving fund --
19 section 846-10.6, Hawaii Revised Statutes; and
- 20 (136) State identification revolving fund -- section 846-27,
21 Hawaii Revised Statutes.



1 (b) Notwithstanding any other law to the contrary, from
2 July 1, 2009, until June 30, 2011, the chief justice shall
3 transfer to the director of finance any interest earned on the
4 short-term investment by the judiciary of moneys of the
5 following special and revolving funds. Upon receipt, the
6 director of finance shall deposit the moneys in the general
7 fund.

8 The special and revolving funds, to which this subsection
9 is applicable, shall be the following:

- 10 (1) Supreme court law library revolving fund -- section
11 601-3.5, Hawaii Revised Statutes; and
12 (2) Judiciary computer system special fund -- section 601-
13 3.7, Hawaii Revised Statutes.

14 SECTION 42. Section 36-21, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) The director of finance may invest any moneys of the
17 State which in the director's judgment are in excess of the
18 amounts necessary for meeting the immediate requirements of the
19 State and where in the director's judgment the action will not
20 impede or hamper the necessary financial operations of the State
21 in:

- 22 (1) Any bonds or interest-bearing notes or obligations:



1 (A) Of the State (including state director of
2 finance's warrant notes issued pursuant to
3 chapter 40);
4 (B) Of the United States;
5 (C) For which the faith and credit of the United
6 States are pledged for the payment of principal
7 and interest;

8 (2) Federal Farm Credit System notes and bonds;

9 (3) Federal Agricultural Mortgage Corporation notes and
10 bonds;

11 (4) Federal Home Loan Bank notes and bonds;

12 (5) Federal Home Loan Mortgage Corporation bonds;

13 (6) Federal National Mortgage Association notes and bonds;

14 (7) Student Loan Marketing Association notes and bonds;

15 (8) Tennessee Valley Authority notes and bonds;

16 (9) Securities of a mutual fund whose portfolio is limited
17 to bonds or securities issued or guaranteed by the
18 United States or an agency thereof or repurchase
19 agreements fully collateralized by any such bonds or
20 securities;

21 (10) Securities of a money market mutual fund that is rated
22 AAA, or its equivalent, by a nationally recognized



1 rating agency or whose portfolio consists of
2 securities that are rated as first tier securities by
3 a nationally recognized statistical rating
4 organization as provided in 17 Code of Federal
5 Regulations [~~section~~] Section 270.2a-7;

6 (11) Federally insured savings accounts;

7 (12) Time certificates of deposit;

8 (13) Certificates of deposit open account;

9 (14) Repurchase agreements with federally insured banks,
10 savings and loan associations, and financial services
11 loan companies;

12 (15) Student loan resource securities including:

13 (A) Student loan auction rate securities;

14 (B) Student loan asset-backed notes;

15 (C) Student loan program revenue notes and bonds; and

16 (D) Securities issued pursuant to Rule 144A of the
17 Securities Act of 1933, including any private
18 placement issues;

19 issued with either bond insurance or
20 overcollateralization guaranteed by the United States
21 Department of Education; provided all insurers
22 maintain a triple-A rating by Standard & Poor's,



Moody's, Duff & Phelps, Fitch, or any other major national securities rating agency;

(16) Commercial paper with an A1/P1 or equivalent rating by any national securities rating service; and

(17) Bankers' acceptances with an A1/P1 or equivalent rating by any national securities rating service;

provided that the investments are due to mature not more than five years from the date of investment. Income derived from those investments shall be a realization of the general fund; provided that, except as provided by Act _____, Session Laws of Hawaii 2009, income earned from moneys invested by the general funds, special funds, bond funds, and trust and agency funds on an investment pool basis shall be paid into and credited to the respective funds based on the contribution of moneys into the investment pool by each fund. As used in this section, "investment pool" means the aggregate of state treasury moneys that are maintained in the custody of the director of finance for investment and reinvestment without regard to fund designation."

PART V

SECTION 43. The purpose of this part is to:



- 1 (1) Temporarily suspend the distribution of a portion of
2 the conveyance tax to the land conservation fund; and
3 (2) Temporarily reduce the portions of the conveyance tax
4 distributed to the rental housing trust fund and
5 natural area reserve fund.

6 SECTION 44. Section 173A-5, Hawaii Revised Statutes, is
7 amended by amending subsection (d) to read as follows:

8 "(d) ~~[Ten per cent]~~ The appropriate percentage identified
9 under section 247-7 of all taxes imposed and collected ~~[by~~
10 ~~section 247-1]~~ under chapter 247 shall be deposited in or
11 credited to the fund every fiscal year."

12 SECTION 45. Section 247-7, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§247-7 Disposition of taxes.** All taxes collected under
15 this chapter shall be paid into the state treasury to the credit
16 of the general fund of the State, to be used and expended for
17 the purposes for which the general fund was created and exists
18 by law; provided that of the taxes collected each fiscal year:

- 19 (1) ~~[Ten]~~ None from July 1, 2009, until June 30, 2015, and
20 ten per cent in each fiscal year thereafter shall be
21 paid into the land conservation fund established
22 pursuant to section 173A-5;



1 (2) ~~[Thirty]~~ Fifteen per cent from July 1, 2009, until
2 June 30, 2015, and thirty per cent in each fiscal year
3 thereafter shall be paid into the rental housing trust
4 fund established by section 201H-202; and

5 (3) ~~[Twenty-five]~~ Ten per cent from July 1, 2009, until
6 June 30, 2015, and twenty-five per cent in each fiscal
7 year thereafter shall be paid into the natural area
8 reserve fund established by section 195-9; provided
9 that the funds paid into the natural area reserve fund
10 shall be annually disbursed by the department of land
11 and natural resources in the following priority:

12 (A) To natural area partnership and forest
13 stewardship programs after joint consultation
14 with the forest stewardship committee and the
15 natural area reserves system commission;

16 (B) Projects undertaken in accordance with watershed
17 management plans pursuant to section 171-58 or
18 watershed management plans negotiated with
19 private landowners, and management of the natural
20 area reserves system pursuant to section 195-3;
21 and



1 (C) The youth conservation corps established under
2 chapter 193."

3 PART VI

4 SECTION 46. If any provision of this Act, or the
5 application thereof to any person or circumstance is held
6 invalid, the invalidity does not affect other provisions or
7 applications of the Act which can be given effect without the
8 invalid provision or application, and to this end the provisions
9 of this Act are severable.

10 SECTION 47. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 48. This Act shall take effect upon its approval;
13 provided that:

14 (1) Part I shall take effect on June 29, 2009;

15 (2) Part II shall take effect on June 1, 2009;

16 (3) Part III shall take effect on July 1, 2009, and shall
17 be repealed on June 30, 2015; provided that sections
18 21D-5, 36-27, 36-30, 201-85, 304A-3005, 342D-82, and
19 261D-3, Hawaii Revised Statutes, shall be reenacted in
20 the form in which they read on June 30, 2009; and

21 (4) Part IV shall take effect on July 1, 2009, and shall

22 be repealed on July 1, 2015; provided that section 36-



1 21, Hawaii Revised Statutes, shall be reenacted in the
2 form in which it read on June 30, 2009.



Report Title:

Transfer and reallocation of Non-General Funds

Description:

Transfers excess balance from various non-general funds to the general fund; repeals central service and administrative fee exemptions; transfers interest from non-general funds to the general fund; redistributes conveyance tax revenues. (SB884 HD1)

