#### HOUSE OF REPRESENTATIVES TWENTY-SEVENTH LEGISLATURE, 2014 STATE OF HAWAII

HB LRB 14-0677.doc

H.B. NO. 2427

### A BILL FOR AN ACT

RELATING TO THE REPEAL OF NON-GENERAL FUNDS.

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

SECTION 1. Section 109-3, Hawaii Revised Statutes, is
 amended to read as follows:

3	"§109-3 Stadium special fund. There is created a special
4	fund to be known as the stadium special fund into which funds
5	collected by the authority shall be deposited[ <del>; provided that</del>
6	all-funds received pursuant to this section-shall be kept
7	completely separate from the Kapolei recreational sports complex
8	special fund. Moneys may not be transferred between the stadium
9	special fund and the Kapolei recreational-sports complex special
10	fund]. The stadium special fund shall be applied, used, and
11	disposed of for the payment of:
12	(1) The expenses of the operation, maintenance, promotion,
13	and management of; and
14	(2) All or a portion of the cost of financing any capital
15	improvement project for;
16	the stadium and related facilities; provided that all services
17	required for the stadium and related facilities shall be
18	performed by persons hired on contract or otherwise, without

1 regard for chapter 76; provided further that the authority shall
2 report to the legislature all receipts and expenditures of the
3 stadium special fund account twenty days prior to the convening
4 of each regular session."

5 SECTION 2. Section 128D-2, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§128D-2 Environmental response revolving fund; uses. (a) 8 There is created within the state treasury an environmental response revolving fund, which shall consist of moneys 9 10 appropriated to the fund by the legislature, moneys paid to the fund as a result of departmental compliance proceedings, moneys 11 paid to the fund pursuant to court-ordered awards or judgments, 12 13 moneys paid to the fund in court-approved or out-of-court settlements, all interest attributable to investment of money 14 deposited in the fund, moneys deposited in the fund from the 15 16 environmental response  $[\tau]$  and energy  $[\tau - and food security]$  tax 17 pursuant to section 243-3.5, and moneys allotted to the fund 18 from other sources.

19 (b) Moneys from the fund shall be expended by the
20 department for response actions and preparedness, including
21 removal and remedial actions, consistent with this chapter;
22 provided that the revenues generated by the environmental HB LRB 14-0677.doc

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1	response[ $\tau$ ] and energy[, and food security] tax deposited into		
2	the environmental response revolving fund:		
3	(1)	Shall be used:	
4		(A) For oil spill planning, prevention, preparedness,	
5		education, research, training, removal, and	
6		remediation; and	
7		(B) For direct support for county used oil recycling	
8		programs; and	
9	(2)	May also be used to support environmental protection	
10		and natural resource protection programs, including	
11		energy conservation and alternative energy	
12		development, and to address concerns related to air	
13		quality, global warming, clean water, polluted runoff,	
14		solid and hazardous waste, drinking water, and	
15		underground storage tanks, including support for the	
16		underground storage tank program of the department and	
17		funding for the acquisition by the State of a soil	
18		remediation site and facility."	
19	SECT	ION 3. Section 167-19, Hawaii Revised Statutes, is	
20	amended b	y amending subsection (c) to read as follows:	
21	"(c)	All or any portion of the acreage assessments	
22	collected	under this chapter, as determined by the board,	
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1	exclusive of acreage assessments imposed on lands within an
2	irrigation project financed through the issuance of revenue
3	bonds, shall be deposited into the [irrigation-system-revolving
4	fund.] general fund. Acreage assessments imposed on lands
5	within an irrigation project financed through the issuance of
6	revenue bonds] shall be deposited into the general fund."
7	SECTION 4. Section 168-5, Hawaii Revised Statutes, is
8	amended to read as follows:
9	"§168-5 [Irrigation-systems-account. (a) There shall be
10	a-special account in the irrigation system revolving fund of the
11	board of agriculture to be known as the "irrigation systems
12	account". The-director of finance may make temporary use of any
13	portion or all of the money not immediately needed for
14	construction-and-operation of an irrigation-system for the
15	purpose-of paying warrants drawn on the treasury for current
16	indebtedness of the State, or for deposit in the state sinking
17	fund for the repayment of bonds, or for investment in state
18	bonds; provided that sufficient of the sums so taken, deposited
19	or invested shall be redeposited to the credit of the irrigation
20	systems account prior to the time when any engagement for the
21	payment from the account falls due.



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1 The moneys from the account shall be expended upon warrants 2 drawn by the comptroller for the purposes of this chapter. (b)] Project funding. (a) In connection with the 3 4 construction, operation, or maintenance of a project, the board may use [such] the contributions of labor, materials, and 5 property, including money, as may be allocated or otherwise made 6 available by any person or instrumentality whatsoever, if in the 7 8 judgment of the board the acceptance thereof, will not limit the 9 scope of construction or operation of a project provided for by 10 this chapter.

11 [-(e)-] (b) Money received and accepted under this section 12 shall be available for expenditure for the purposes for which 13 contributed in like manner as if the sums had been specifically 14 appropriated for [such] those purposes.

15 [<del>(d)</del>] (c) Any provision of this chapter or any other state 16 law to the contrary notwithstanding, it is expressly provided 17 that, [in the event that] if it is found possible to secure 18 federal funds made available under any act of Congress to be expended in connection with or for the construction of a project 19 20 authorized by this chapter, the board may enter into such 21 undertakings with the proper officers or agencies of the federal government, agree to [such] the conditions, and do and perform 22



[such] other acts and things as may be necessary, or be required by [such] acts of Congress or any regulations or requirements of the federal government, as a condition to securing the federal funds for the project.

5 [(c)] (d) Any other provision of law to the contrary notwithstanding, any bonds issued under this chapter [may], with 6 the approval of the governor, may be deposited with and pledged 7 8 to, or be otherwise disposed of to, the United States or any board, agency, or instrumentality of the United States 9 government, to secure the repayment, or in actual payment, of 10 any loans or advances made or to be made, under any act or acts 11 of Congress authorizing the loans or advances, by the United 12 13 States or any such board, agency, or instrumentality to the State for the construction, in whole or in part, of a project 14 authorized under this chapter or the cost of which, or any 15 portion thereof, would be payable or could legally be paid, out 16 of the proceeds of the bonds if sold. 17

18 [(f) Any other provision of law to the contrary 19 notwithstanding, the board may use moneys from the irrigation 20 [systems] account to contract for operation or maintenance of 21 the project facilities if the board deems such action to be in 22 the public interests.]"



1	SECTION 5. Section 171-117, Hawaii Revised Statutes, is
2	amended by amending subsection (b) to read as follows:
3	"(b) Public lands designated or in use as agricultural
4	parks on June 30, 1986, may be set aside under section 171-11 to
5	the department of agriculture upon its request for use as
6	agriculture parks. Notwithstanding any lease term to the
7	contrary, after June 30, 1986, revenues from the rent, use, or
8	maintenance of leased lots in agricultural parks set aside under
9	this subsection shall be deposited into the [agricultural park
10	special fund established under section 166-10.] general fund."
11	SECTION 6. Section 201-12.8, Hawaii Revised Statutes, is
12	amended by amending subsection (a) to read as follows:
13	"(a) There is created within the state treasury an energy
14	security special fund, which shall consist of:
15	(1) The portion of the environmental response[ $ au$ ] and
16	energy[ <del>, and food security</del> ] tax specified under
17	section 243-3.5;
18	(2) Moneys appropriated to the fund by the legislature;
19	(3) All interest attributable to investment of money
20	deposited in the fund; and
21	(4) Moneys allotted to the fund from other sources,
22	including under section 196-6.5."

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1 SECTION 7. Section 243-3.5, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending its title and subsection (a) to read: "§243-3.5 Environmental response[7] and energy[7 and food 4 security] tax; uses. (a) In addition to any other taxes 5 provided by law, subject to the exemptions set forth in section 6 243-7, there is hereby imposed a state environmental response  $[\tau]$ 7 8 and energy [---and food security] tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to 9 any retail dealer or end user of petroleum product, other than a 10 refiner. The tax shall be \$1.05 on each barrel or fractional 11 part of a barrel of petroleum product that is not aviation fuel; 12 13 provided that of the tax collected pursuant to this subsection: 5 cents of the tax on each barrel shall be deposited 14 (1)

- 15 into the environmental response revolving fund 16 established under section 128D-2;
- 17 (2) 15 cents of the tax on each barrel shall be deposited
  18 into the energy security special fund established
  19 under section 201-12.8;
- 20 (3) 10 cents of the tax on each barrel shall be deposited
  21 into the energy systems development special fund
  22 established under section 304A-2169; and



1	(4) 15 cents of the tax on each barrel shall be deposited
2	into the [agricultural-development and food security
3	special fund established under section 141-10.
4	general fund.
5	The tax imposed by this subsection shall be paid by the
6	distributor of the petroleum product."
7	2. By amending subsection (c) to read:
8	"(c) Notwithstanding section 248-8 to the contrary, the
9	environmental response $[\tau]$ and energy $[\tau]$ and food security tax
10	collected under this section shall be paid over to the director
11	of finance for deposit as provided in subsection (a)."
12	SECTION 8. Section 109-9, Hawaii Revised Statutes, is
13	repealed.
14	[" <del>[§109-9]Kapolei-recreational-sports complex special</del>
15	fund. There is created a special fund to be known as the
16	Kapolei recreational sports complex special fund-into-which
17	funds appropriated by the legislature, received pursuant to a
18	management contract under section 109-2(3), or collected by the
19	authority from the operations of the Kapolei recreational sports
<b>20</b> -	complex shall be deposited subject to contracts entered into
21	pursuant to section 109-2(3); provided that all funds received
22	pursuant to this-section-shall be kept completely separate from
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1	the stadium-special fund. Moneys may not be transferred between		
2	the Kapolci recreational sports complex special fund and the		
3	stadium-special fund. The Kapolei [recreational] sports complex		
4	special fund shall be applied, used, and disposed of for the		
5	payment of:		
6	(1) The expenses of the operation, maintenance, promotion,		
7	and management of; and		
8	(2) All or a portion of the cost of financing any capital		
9	improvement project for;		
10	the Kapolei-recreational-sports complex; provided-that-all		
11	services required for the Kapolei recreational sports complex		
12	shall-be performed by persons hired on contract-or otherwise,		
13	without regard for chapter 76; provided further that the		
14	authority shall report annually to the legislature all receipts		
15	and expenditures of the Kapolei-recreational [sports] complex		
16	special fund-account no-later than twenty days prior to the		
17	convening of each regular session."]		
18	SECTION 9. Section 141-10, Hawaii Revised Statutes, is		
19	repealed.		
20	[" <del>§141-10 Agricultural development and food security</del>		
21	special fund; establishment. (a) There is established within		



1	the state	-treasury-the-agricultural development and food
2	security	special fund.
3	- <del>(b)</del>	The following moneys shall-be-deposited into-the
4	<del>special f</del>	und:
5	<del>(1)</del>	The portion of the environmental response, energy, and
6		food security tax specified under section 243-3.5;
7	<del>(2)</del>	Any appropriation-by the legislature—into the special
8		fund;
9	- <del>(3)</del> -	Any grant or donation made to the special fund; and
10	<del>-( 4-)-</del>	Any interest carned on the balance of the special
11		fund.
12	<del>(c)</del>	Subject to legislative appropriation, moneys in the
13	<del>special f</del>	und may-be-expended for the following-purposes:
14	<del>-(1)</del> -	The awarding of grants to farmers for agricultural
15		production or processing activity;
16	<del>(2)</del>	The acquisition of real property for agricultural
17		production or processing-activity;
18	<del>-(3)</del> -	The improvement of real property, dams, reservoirs,
19		irrigation systems, and transportation networks
20		necessary to promote agricultural production or
21		processing activity, including investigative studies
22		to identify and assess necessary improvements to dams,



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1		reservoirs, irrigation systems, and transportation
2		networks;
3	<del>-(-4-)-</del>	The purchase of equipment necessary for agricultural
4		production or processing activity;
5	<del>(5)</del>	The conduct of research on and testing of agricultural
6		products and markets;
7	<del>(6)</del>	The funding of agricultural inspector positions within
8		the department of agriculture;
9	- <del>(-7-)-</del>	The promotion and marketing of agricultural products
10		grown or raised in the State;
11	<del>(8)</del>	Water quality testing—and—improvement; and
12	<del>-(-9-)-</del>	Any other activity intended to increase agricultural
13		production or processing that may lead to reduced
14		importation of food, fodder, or feed from outside the
15		State.
16	<del>(d)</del>	The department of agriculture shall submit a report to
17	the legis	lature no later than twenty-days-prior to the convening
18	<del>of cach r</del>	egular session on the status and progress of existing
19	<del>programs</del>	and activities and the status of new programs and
20	activitic	s funded under the agricultural development and food
21	security-	special-fund. The report shall also include:



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1	<del>(1)</del>	The spending plan-of the agricultural-development-and		
2		food-security special fund;		
3	(2) All expenditures of agricultural-development and food			
4	security special fund-moneys;			
5	<del>(3)</del> -	The targeted markets of the expenditures, including		
6		the reason for selecting those markets;		
7	<del>(4)</del>	The persons to be served using the expenditures; and		
8	<del>(5)</del>	The specific objectives of the expenditures, including		
9		<pre>measurable outcomes."]</pre>		
10	SECT	ION 10. Section 166-10, Hawaii Revised Statutes, is		
11	repealed.			
12	[" <del>§166-10 Agricultural park special fund. (a) There is</del>			
13	<del>created i</del>	n-the state treasury a special fund to be-designated as		
14	<del>the agric</del>	ultural park special fund. The proceeds in the fund		
15	<del>shall be</del> -	used for the following purposes:		
16				
~~	<del>(1)</del>	Payment of agricultural-park lease rents-of privately		
17	<del>(1)</del>	Payment of agricultural park lease rents of privately owned lands under lease to the State pursuant to		
	<del>(1)</del>			
17		owned lands under lease to the State pursuant to		
17 18		owned-lands-under lease to the-State pursuant-to sections-171-112 and 166-3;		
17 18 19		owned lands under lease to the State pursuant to sections 171-112 and 166-3; Establishing, operating, maintaining, and improving		
17 18 19 20		owned-lands-under lease to the State pursuant to sections-171-112 and 166-3; Establishing, operating, maintaining, and improving infrastructure improvements in agricultural parks		



1	(3) Any other purposes deemed necessary by the department
2	for the purpose of maintaining and operating those
3	agricultural parks and related facilities designated
4	by the department-pursuant to section 166-3.
5	For the purpose of paragraph (2), infrastructure
6	improvements may include, but shall not be limited to:
7	irrigation water system projects, wind power or hydro-power and
8	pumping systems, waste disposal systems, domestic water systems,
9	roads, street lights, land and roads drainage, and bridges.
10	(b) Moneys appropriated for the purpose of the fund; any
11	other provision of the law to the contrary notwithstanding, all
12	moneys-received or collected from an agricultural park project
13	designated pursuant to section 166-3, including residential and
14	agricultural lot lease rents; and all money collected or
15	received-by-the department-for the use and maintenance-of
16	domestic and irrigation water systems within an agricultural
17	park and other systems enumerated in subsection (a) shall be
18	deposited into the agricultural park special fund. All interest
19	earned or accrued on moneys-deposited in the fund shall become a
20	part of the fund. Moneys in the fund shall be expended upon
21	warrants drawn by the comptroller."]



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1	SECTION 11. Section 166E-7, Hawaii Revised Statutes, is		
2	repealed.		
3	[" <del>[§166E-7] Non-agricultural park lands-special fund;</del>		
4	established. (a) There is established in the state treasury		
5	the non-agricultural park lands special fund, into which shall		
6	be deposited:		
7	(1) Legislative appropriations to the fund; and		
8	(2) All lease rent, fees, penalties, and any other-revenue		
9	or funds-collected-from non-agricultural park lands		
10	that are transferred, or in the process of being		
11	transferred, to the department-under this chapter.		
12	(b) Moneys-in-the special fund shall-be-used to defray-the		
13	costs incurred in managing, administering, and overseeing non-		
14	agricultural park lands that are transferred, or in the process		
15	of being transferred, to the department under this chapter.		
16	(c) The department shall-administer the non-agricultural		
17	park-lands special fund."]		
18	SECTION 12. Section 167-22, Hawaii Revised Statutes, is		
19	repealed.		
20	[" <del>§167-22 Irrigation system revolving fund. (a) There is</del>		
21	established-the irrigation system-revolving fund, into-which		
22	shall be deposited:		
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1	(1)	All legislative appropriations to the irrigation
2		system revolving-fund; and
3	<del>(2)</del>	All or any portion of the receipts and revenues
4		collected under this chapter, as determined by the
5		board of agriculture.
6	<del>(b)</del>	The irrigation system revolving fund shall be
7	administer	red by the department of agriculture. Moneys in the
8	revolving-	-fund-shall-be-expended for:
9	(1)	Administrative costs, engineering-surveys, economic
10		studies, plans, and maps; and
11	<del>-(2)-</del>	Other-water-projects-or-purposes of the board-of
12 -		agriculture.
13	<del>In t</del>	ne-event any moneys are expended from the revolving
14	<del>fund for c</del>	engineering surveys, economic studies, plans, and other
15	<del>expenses c</del>	tirectly attributable to any water project, or for the
16	establishn	ment of any water project, the amount-of-the
17	expenditui	res shall be reimbursed to the revolving fund from any
18	<del>funds reco</del>	eived by the board for and on account of the project."]
19	SECTI	ION 13. Section 168-3, Hawaii Revised Statutes, is
20	repealed.	
21	[" <del>[\$168-3] Funds.</del> The board of agriculture shall pay all	
22	receipts and revenues received by it from the operation of an	
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1	irrigation and water utilization system into the irrigation		
2	<del>system-re</del>	volving-fund established under section-167-22. The	
3	. <del>£und shal</del>	1-be-used-and-expended-for-the following purposes:	
4	<del>-(1-)</del> -	Payment of the operating and maintenance costs of the	
5		system;	
6	<del>(2)</del>	Repairs, replacements, additions, and extensions;	
7	<del>(3)</del> -	Reimbursement to the State the amount of any principal	
8		or interest due upon any bond issue-under this	
9		chapter."]	
10	SECT	ION 14. The following funds are abolished:	
11	(1)	The donations for voter registration drive trust	
12		account established in 1984 and administered by the	
13		department of accounting and general services;	
14	(2)	The Hawaii FYI - ICSD trust account administratively	
15		established in 1996 and administered by the department	
16		of accounting and general services;	
17	(3)	The parking control revolving fund escrow account	
18		revolving fund administered by the department of	
19		accounting and general services;	
20	(4)	The returned ACH tax refunds trust account	
21		administratively established in 2004 and administered	
22		by the department of accounting and general services;	
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1	(5) The HDOA biocontrol foreign exploration special fund
2	created in 2010 and administered by the department of
3	agriculture; and
4	(6) The Hawaii EUTF self-directed investments trust
5	account created in 2007 and administered by the
6	department of budget and finance,
7	and any remaining balances shall be transferred to the general
8	fund.
9	SECTION 15. On June 30, 2014, all unencumbered balances
10	remaining in the accounts and funds repealed by this Act shall
11	lapse to the credit of the general fund.
12	SECTION 16. Statutory material to be repealed is bracketed
13	and stricken. New statutory material is underscored.
14	SECTION 17. This Act shall take effect on July 1, 2014.
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Report Title: Non-General Funds; Repeal

#### Description:

Repeals the following non-general funds: donations for voter registration drive trust account, Hawaii FYI - ICSD trust account, Kapolei regional sports complex special fund, parking control revolving fund escrow account revolving fund, returned ACH tax refunds trust account, agricultural development and food security special fund, agricultural park special fund, HDOA biocontrol foreign exploration special fund, irrigation system revolving fund, non-agricultural park lands special fund, and Hawaii EUTF self-directed investments trust account.

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