

JAN 18 2013

A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 SECTION 1. Section 23-11, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§23-11[+] **New special or revolving funds.** (a) Within
4 five days after the deadline for the introduction of bills in
5 each legislative session, the clerks of each house of the
6 legislature shall transmit, to the [legislative] auditor for
7 analysis, copies of all legislative bills that were introduced
8 in their respective houses during that session that propose to
9 establish new special or revolving funds.

10 (b) The criteria to be used by the auditor in analyzing
11 each legislative bill shall include[7] but not be limited to[7]
12 the extent to which the fund:

13 (1) [~~Serves the purpose for which it is being created;~~]
14 Shows evidence of need by stating the program's
15 purpose, describing the scope, presenting financial
16 information on fees to be charged, sources of
17 projected revenue, and costs; and explains why the



1 program cannot be implemented successfully under the
2 general fund appropriation process; and

- 3 (2) Reflects a clear link between the [~~benefit~~] benefits
4 sought and [~~changes~~] charges made upon the program
5 users or beneficiaries [~~of the program,~~] or a clear
6 link between the program and the sources of revenue,
7 as opposed to serving primarily as a means to provide
8 the program or users with an automatic means of
9 support [~~which~~] that is removed from the normal budget
10 and [~~appropriations~~] appropriation process.

11 Each analysis shall set forth the probable effects of the
12 proposed fund and shall also assess alternative forms of
13 funding.

14 (c) No later than thirty days prior to the adjournment
15 sine die of each legislative session, the [~~legislative~~] auditor
16 shall submit the analysis of each transmitted legislative bill
17 to each house of the legislature."

18 SECTION 2. Section 23-12, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**§23-12 Review of special, revolving, and trust funds.**

21 (a) The office of the [~~state~~] auditor shall report to the



1 legislature, at each regular session, a review of special,
2 revolving, and trust funds established to provide services
3 rendered by any state department or establishment to other state
4 departments or establishments or to any political subdivision of
5 the State. The review shall include but not be limited to:

- 6 (1) An evaluation of the original intent and purpose of
7 each fund, both as expressed by the legislature and as
8 understood by the expending agency;
- 9 (2) The degree to which each fund achieves the stated and
10 claimed purposes;
- 11 (3) An evaluation of performance standards established by
12 the agency; and
- 13 (4) A summary statement reflecting total fund transactions
14 in the preceding five fiscal years, including the fund
15 balance at the beginning of each fiscal year, total
16 deposits and withdrawals, amount of interest earned,
17 total expenditures made from the fund, and the ending
18 fund balance for each fiscal year.
- 19 (b) Each special, revolving, and trust fund shall be
20 reviewed every five years as follows:



- 1 (1) Beginning 1994 and every five years thereafter, the
2 auditor shall submit a review of the special,
3 revolving, and trust funds of the department of
4 accounting and general services; the department of
5 agriculture; the department of budget and finance; and
6 the department of land and natural resources;
- 7 (2) Beginning 1995 and every five years thereafter, the
8 auditor shall submit a review of the special,
9 revolving, and trust funds of the department of the
10 attorney general; the department of business, economic
11 development, and tourism; and the University of Hawaii
12 system;
- 13 (3) Beginning 1996 and every five years thereafter, the
14 auditor shall submit a review of the special,
15 revolving, and trust funds within the judiciary and of
16 the department of commerce and consumer affairs; the
17 department of Hawaiian home lands; the department of
18 health; and the department of human services;
- 19 (4) Beginning 1997 and every five years thereafter, the
20 auditor shall submit a review of the special,
21 revolving, and trust funds of the office of the



1 governor; the office of Hawaiian affairs; and the
2 department of education; [~~and~~]

3 (5) Beginning 1998 and every five years thereafter, the
4 auditor shall submit a review of the special,
5 revolving, and trust funds of the department of labor
6 and industrial relations; the department of taxation;
7 the department of human resources development; the
8 department of public safety; and all other moneys
9 expended in accordance with section 37-40[~~-~~]; and

10 (6) Beginning 2014 and every five years thereafter, the
11 auditor shall submit a review of the special,
12 revolving, and trust funds of the department of
13 transportation and the department of defense."

14 SECTION 3. Section 36-27, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) Except as provided in this section, and
17 notwithstanding any other law to the contrary, from time to
18 time, the director of finance, for the purpose of defraying the
19 prorated estimate of central service expenses of government in
20 relation to all special funds, except the:



- 1 (1) Special out-of-school time instructional program fund
- 2 under section 302A-1310;
- 3 (2) School cafeteria special funds of the department of
- 4 education;
- 5 (3) Special funds of the University of Hawaii;
- 6 (4) State educational facilities improvement special fund;
- 7 (5) Convention center enterprise special fund under
- 8 section 201B-8;
- 9 (6) Special funds established by section 206E-6;
- 10 (7) Housing loan program revenue bond special fund;
- 11 (8) Housing project bond special fund;
- 12 (9) Aloha Tower fund created by section 206J-17;
- 13 (10) Funds of the employees' retirement system created by
- 14 section 88-109;
- 15 (11) Unemployment compensation fund established under
- 16 section 383-121;
- 17 (12) Hawaii hurricane relief fund established under chapter
- 18 431P;
- 19 (13) Hawaii health systems corporation special funds and
- 20 the subaccounts of its regional system boards;



- 1 (14) Tourism special fund established under section 201B-
- 2 11;
- 3 (15) Universal service fund established under section 269-
- 4 42;
- 5 (16) Emergency and budget reserve fund under section 328L-
- 6 3;
- 7 (17) Public schools special fees and charges fund under
- 8 section 302A-1130;
- 9 (18) Sport fish special fund under section 187A-9.5;
- 10 (19) Glass advance disposal fee established by section
- 11 342G-82;
- 12 (20) Center for nursing special fund under section 304A-
- 13 2163;
- 14 (21) Passenger facility charge special fund established by
- 15 section 261-5.5;
- 16 (22) Court interpreting services revolving fund under
- 17 section 607-1.5;
- 18 (23) Hawaii cancer research special fund;
- 19 (24) Community health centers special fund;
- 20 [~~25~~] ~~Emergency medical services special fund;~~



1 ~~(26)~~ (25) Rental motor vehicle customer facility charge
2 special fund established under section 261-5.6;
3 ~~(27)~~ (26) Shared services technology special fund under
4 section 27-43; and
5 ~~(28)~~ (27) Automated victim information and notification
6 system special fund established under section 353-136,
7 shall deduct five per cent of all receipts of all special funds,
8 which deduction shall be transferred to the general fund of the
9 State and become general realizations of the State. All
10 officers of the State and other persons having power to allocate
11 or disburse any special funds shall cooperate with the director
12 in effecting these transfers. To determine the proper revenue
13 base upon which the central service assessment is to be
14 calculated, the director shall adopt rules pursuant to chapter
15 91 for the purpose of suspending or limiting the application of
16 the central service assessment of any fund. No later than
17 twenty days prior to the convening of each regular session of
18 the legislature, the director shall report all central service
19 assessments made during the preceding fiscal year."

20 SECTION 4. Section 36-30, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



- 1 "(a) Each special fund, except the:
- 2 (1) Transportation use special fund established by section
- 3 261D-1;
- 4 (2) Special out-of-school time instructional program fund
- 5 under section 302A-1310;
- 6 (3) School cafeteria special funds of the department of
- 7 education;
- 8 (4) Special funds of the University of Hawaii;
- 9 (5) State educational facilities improvement special fund;
- 10 (6) Special funds established by section 206E-6;
- 11 (7) Aloha Tower fund created by section 206J-17;
- 12 (8) Funds of the employees' retirement system created by
- 13 section 88-109;
- 14 (9) Unemployment compensation fund established under
- 15 section 383-121;
- 16 (10) Hawaii hurricane relief fund established under section
- 17 431P-2;
- 18 (11) Convention center enterprise special fund established
- 19 under section 201B-8;
- 20 (12) Hawaii health systems corporation special funds and
- 21 the subaccounts of its regional system boards;



- 1 (13) Tourism special fund established under section 201B-
- 2 11;
- 3 (14) Universal service fund established under section 269-
- 4 42;
- 5 (15) Emergency and budget reserve fund under section 328L-
- 6 3;
- 7 (16) Public schools special fees and charges fund under
- 8 section 302A-1130;
- 9 (17) Sport fish special fund under section 187A-9.5;
- 10 (18) Center for nursing special fund under section 304A-
- 11 2163;
- 12 (19) Passenger facility charge special fund established by
- 13 section 261-5.5;
- 14 (20) Court interpreting services revolving fund under
- 15 section 607-1.5;
- 16 (21) Hawaii cancer research special fund;
- 17 (22) Community health centers special fund;
- 18 ~~[-(23) Emergency medical services special fund;~~
- 19 ~~-(24)]~~ (23) Rental motor vehicle customer facility charge
- 20 special fund established under section 261-5.6;



1 primarily as a means to provide the program or users
2 with an automatic means of support that is removed
3 from the normal budget and appropriation process;

4 (3) Provides an appropriate means of financing for the
5 program or activity; and

6 (4) Demonstrates the capacity to be financially self-
7 sustaining."

8 SECTION 6. Section 37-52.4, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "[+]§37-52.4[+] **Criteria for the establishment and**
11 **continuance of revolving funds.** Revolving funds shall only be
12 established pursuant to an act of the legislature. The
13 legislature, in establishing or reviewing a revolving fund to
14 determine whether it should be continued, shall ensure that the
15 revolving fund:

16 (1) Serves the purpose for which it was originally
17 established;

18 (2) Reflects a clear nexus between the benefits sought and
19 charges made upon the program users or beneficiaries
20 [~~of the program,~~] or a clear link between the program
21 and the sources of revenue, as opposed to serving



- 1 primarily as a means to provide the program or users
2 with an automatic means of support that is removed
3 from the normal budget and appropriation process;
- 4 (3) Provides an appropriate means of financing for the
5 program or activity; and
- 6 (4) Demonstrates the capacity to be financially self-
7 sustaining."

8 SECTION 7. Section 37-62, Hawaii Revised Statutes, is
9 amended by amending the definitions of "revolving fund" and
10 "special funds" to read as follows:

11 ""Revolving fund" means a fund from which is paid the cost
12 of goods and services rendered or furnished to or by a state
13 agency and which is replenished through charges made for the
14 goods or services or through transfers from other accounts or
15 funds[-]; provided that the funds are used only when the means
16 of financing is essential to the successful operation of a
17 program or activity and there is a clear link between the
18 program or activity and the sources of revenue dedicated to its
19 support.

20 "Special funds" means funds [~~which~~] that are dedicated or
21 set aside by law for a specified object or purpose, but



1 excluding revolving funds and trust funds[-]; provided that the
2 funds are used only when the means of financing is essential to
3 the successful operation of a program or activity and there is a
4 clear link between the program or activity and the sources of
5 revenue dedicated to its support."

6 SECTION 8. Section 195-6.5, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) There is established in the department, a natural
9 area partnership program to provide state funds on a two-for-one
10 basis with private funds for the management of private lands
11 that are dedicated to conservation. Payments shall be made from
12 the [~~natural area reserve~~] general fund with funds specifically
13 appropriated for this purpose."

14 SECTION 9. Section 195F-4, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) There is established a special fund within the state
17 treasury known as the forest stewardship fund which shall be
18 used as follows:

19 (1) Payments shall be made by the board pursuant to
20 agreements entered into with qualified landowners to
21 further the purposes of this chapter; and



- 1 (2) Moneys collected from:
- 2 (A) The harvest of non-native forest products from
- 3 forest reserves;
- 4 (B) The harvest of native forest products from
- 5 degraded forests as defined in section 186-5.5,
- 6 within forest reserves;
- 7 (C) The sale of forest products found dead and lying
- 8 on the ground;
- 9 (D) The sale of tree seedlings from state nurseries;
- 10 (E) The sale of any other products or services, or
- 11 anything of value derived from forest reserves
- 12 not described above; or
- 13 (F) The imposition of fines or penalties for
- 14 violations of this chapter and chapters 183 and
- 15 185 or any rule adopted thereunder;
- 16 shall be used for: (i) replanting, managing, and
- 17 maintaining designated timber management areas; (ii)
- 18 enhancing the management of public forest reserves
- 19 with an emphasis on restoring degraded koa forests;
- 20 and (iii) developing environmental education and
- 21 training programs pertaining to sustainable forestry;



1 provided that the activities described in clauses (ii)
2 and (iii) may not be funded unless the activities
3 described in approved management plans pertaining to
4 clause (i) are adequately funded[; and
5 ~~(3) Moneys deposited into the fund as authorized by~~
6 ~~section 247-7 may also be used by the department to~~
7 ~~administer the program and manage the forest reserve~~
8 ~~system]."~~

9 SECTION 10. Section 245-15, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§245-15 Disposition of revenues.** All moneys collected
12 pursuant to this chapter shall be paid into the state treasury
13 as state realizations to be kept and accounted for as provided
14 by law; provided that[;] of the moneys collected under the tax
15 imposed pursuant to:

16 (1) Section 245-3(a)(5), after September 30, 2006, and
17 prior to October 1, 2007, 1.0 cent per cigarette shall
18 be deposited to the credit of the Hawaii cancer
19 research special fund, established pursuant to section
20 304A-2168, for research and operating expenses and for
21 capital expenditures;



1 (2) Section 245-3(a)(6), after September 30, 2007, and
2 prior to October 1, 2008:

3 (A) 1.5 cents per cigarette shall be deposited to the
4 credit of the Hawaii cancer research special
5 fund, established pursuant to section 304A-2168,
6 for research and operating expenses and for
7 capital expenditures;

8 (B) 0.25 cents per cigarette shall be deposited to
9 the credit of the trauma system special fund
10 established pursuant to section 321-22.5; and

11 (C) 0.25 cents per cigarette shall be deposited to
12 the credit of the emergency medical services
13 special fund established pursuant to section 321-
14 234;

15 (3) Section 245-3(a)(7), after September 30, 2008, and
16 prior to July 1, 2009:

17 (A) 2.0 cents per cigarette shall be deposited to the
18 credit of the Hawaii cancer research special
19 fund, established pursuant to section 304A-2168,
20 for research and operating expenses and for
21 capital expenditures;



S.B. NO. 190

- 1 (B) 0.5 cents per cigarette shall be deposited to the
2 credit of the trauma system special fund
3 established pursuant to section 321-22.5;
- 4 (C) 0.25 cents per cigarette shall be deposited to
5 the credit of the community health centers
6 special fund established pursuant to section 321-
7 1.65; and
- 8 (D) 0.25 cents per cigarette shall be deposited to
9 the credit of the emergency medical services
10 special fund established pursuant to section 321-
11 234;
- 12 (4) Section 245-3(a)(8), after June 30, 2009, and prior to
13 July 1, 2013:
- 14 (A) 2.0 cents per cigarette shall be deposited to the
15 credit of the Hawaii cancer research special
16 fund, established pursuant to section 304A-2168,
17 for research and operating expenses and for
18 capital expenditures;
- 19 (B) 0.75 cents per cigarette shall be deposited to
20 the credit of the trauma system special fund
21 established pursuant to section 321-22.5;



- 1 (C) 0.75 cents per cigarette shall be deposited to
2 the credit of the community health centers
3 special fund established pursuant to section 321-
4 1.65; and
- 5 (D) 0.5 cents per cigarette shall be deposited to the
6 credit of the emergency medical services special
7 fund established pursuant to section 321-234; and
- 8 (5) Section 245-3(a)(11), after June 30, 2013, and
9 thereafter:
- 10 (A) 2.0 cents per cigarette shall be deposited to the
11 credit of the Hawaii cancer research special
12 fund, established pursuant to section 304A-2168,
13 for research and operating expenses and for
14 capital expenditures;
- 15 (B) 1.5 cents per cigarette shall be deposited to the
16 credit of the trauma system special fund
17 established pursuant to section 321-22.5; and
- 18 (C) 1.25 cents per cigarette shall be deposited to
19 the credit of the community health centers
20 special fund established pursuant to section 321-
21 1.65 [~~and~~



1 ~~(D) 1.25 cents per cigarette shall be deposited to~~
2 ~~the credit of the emergency medical services~~
3 ~~special fund established pursuant to section 321-~~
4 ~~234].~~

5 The department shall provide an annual accounting of these
6 dispositions to the legislature."

7 SECTION 11. Section 247-7, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§247-7 Disposition of taxes.** All taxes collected under
10 this chapter shall be paid into the state treasury to the credit
11 of the general fund of the State, to be used and expended for
12 the purposes for which the general fund was created and exists
13 by law; provided that of the taxes collected each fiscal year[+

14 ~~(1) Ten per cent shall be paid into the land conservation~~
15 ~~fund established pursuant to section 173A-5;~~

16 ~~(2) Twenty-five], twenty-five per cent from July 1, 2009,~~
17 until June 30, 2012, and thirty per cent in each
18 fiscal year thereafter shall be paid into the rental
19 housing trust fund established by section 201H-202[+
20 and



1 ~~(3) Twenty per cent from July 1, 2009, until June 30,~~
2 ~~2012, and twenty-five per cent in each fiscal year~~
3 ~~thereafter shall be paid into the natural area reserve~~
4 ~~fund established by section 195-9; provided that the~~
5 ~~funds paid into the natural area reserve fund shall be~~
6 ~~annually disbursed by the department of land and~~
7 ~~natural resources in the following priority:~~

8 ~~(A) To natural area partnership and forest~~
9 ~~stewardship programs after joint consultation~~
10 ~~with the forest stewardship committee and the~~
11 ~~natural area reserves system commission;~~

12 ~~(B) Projects undertaken in accordance with watershed~~
13 ~~management plans pursuant to section 171-58 or~~
14 ~~watershed management plans negotiated with~~
15 ~~private landowners, and management of the natural~~
16 ~~area reserves system pursuant to section 195-3;~~
17 ~~and~~

18 ~~(C) The youth conservation corps established under~~
19 ~~chapter 193]."~~

20 SECTION 12. Section 249-31, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) From each annual motor vehicle registration fee, the
2 director shall deposit \$40 into the state highway fund [~~and \$5~~
3 ~~into the emergency medical services special fund~~]."

4 SECTION 13. Section 302A-417, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The department may establish the requirements for the
7 position of traffic safety education specialist and may employ
8 at least one traffic safety education specialist for the
9 purposes of this section. [~~The traffic safety education~~
10 ~~specialist may be paid out of fees allocated to the director of~~
11 ~~commerce and consumer affairs from the special drivers education~~
12 ~~fund account pursuant to section 431:10C-115.]"~~

13 SECTION 14. Section 321-12.5, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "~~[+]~~§321-12.5~~[+]~~ **Certified forensic examination fees.**

16 [~~+>~~] The department of health, by rules adopted pursuant to
17 chapter 91, shall establish fees for application and
18 certification as certified forensic examiners, to be paid by the
19 applicant at the onset of the application process. The fees
20 shall cover the costs of training, examination, certification,
21 and monitoring.



1 ~~[(b) All moneys collected as fees pursuant to subsection~~
2 ~~(a) shall be deposited into the mental health and substance~~
3 ~~abuse special fund established by section 334-15.~~

4 ~~(c) All funds deposited in the mental health and substance~~
5 ~~abuse special fund pursuant to subsection (b) shall be used~~
6 ~~exclusively to support the activities relating to the~~
7 ~~application, training, certification, and monitoring of the~~
8 ~~certified forensic examination program.]"~~

9 SECTION 15. Section 431:10C-115, Hawaii Revised Statutes,
10 is amended to read as follows:

11 "**§431:10C-115 Drivers education fund underwriters fee.**

12 (a) The commissioner shall assess and levy upon each insurer,
13 and self-insurer, a drivers education fund underwriters fee of
14 ~~[\$3]~~ \$1 a year on each motor vehicle insured by each insurer or
15 self-insurer. This fee is due and payable on an annual basis by
16 means and at a time to be determined by the commissioner.

17 (b) The commissioner shall deposit the fees into a special
18 drivers education fund account[-

19 ~~(c) The commissioner]~~ and shall allocate [the fees
20 ~~deposited for each fiscal year in the following manner:~~



S.B. NO. 190

1 ~~(1)~~ \$1 per registration [~~to the commissioner~~] to be
2 expended for the operation of the drivers education
3 program provided in section 286-128(d) [~~;~~ and

4 ~~(2)~~ \$2 per registration to the director of commerce and
5 consumer affairs for:

6 ~~(A)~~ The drivers education program administered by the
7 department of education for high school students;
8 and

9 ~~(B)~~ The traffic safety education program established
10 and administered by the department of education
11 pursuant to section ~~302A-417~~].

12 ~~(d)~~ (c) Motor vehicles insured under the joint
13 underwriting plan shall be excluded from the drivers education
14 fund assessment.

15 ~~(e)~~ (d) The commissioner shall adopt rules in accordance
16 with chapter 91 for the execution of this section and the
17 distribution of this fund."

18 SECTION 16. Section 173A-5, Hawaii Revised Statutes, is
19 repealed.



1 ~~["§173A-5 Land conservation fund. (a) A land~~
2 ~~conservation fund, hereinafter called "fund", is hereby~~
3 ~~established.~~

4 ~~(b) The proceeds from the sale of any general obligation~~
5 ~~bonds authorized and issued for purposes of this chapter shall~~
6 ~~be deposited in or credited to the fund.~~

7 ~~(c) Any net proceeds or revenue from the operation,~~
8 ~~management, sale, lease, or other disposition of land or the~~
9 ~~improvements on the land acquired or constructed by the board~~
10 ~~under the provisions of this chapter shall also be deposited in~~
11 ~~or credited to the fund.~~

12 ~~(d) The appropriate percentage identified under section~~
13 ~~247-7 of all taxes imposed and collected under chapter 247 shall~~
14 ~~be deposited in or credited to the fund every fiscal year.~~

15 ~~(e) Moneys from any other private or public source may be~~
16 ~~deposited in or credited to the fund; provided that mandates,~~
17 ~~regulations, or conditions on these funds do not conflict with~~
18 ~~the use of the fund under this chapter. Moneys received as a~~
19 ~~deposit or private contribution shall be deposited, used, and~~
20 ~~accounted for in accordance with the conditions established by~~
21 ~~the agency or person making the contribution.~~



1 ~~(f) The fund shall be administered and managed by the~~
2 ~~department.~~

3 ~~(g) The acquisition of interests or rights in land having~~
4 ~~value as a resource to the State for the preservation of the~~
5 ~~following shall constitute a public purpose for which public~~
6 ~~funds may be expended or advanced:~~

7 ~~(1) Watershed protection;~~

8 ~~(2) Coastal areas, beaches, and ocean access;~~

9 ~~(3) Habitat protection;~~

10 ~~(4) Cultural and historical sites;~~

11 ~~(5) Recreational and public hunting areas;~~

12 ~~(6) Parks;~~

13 ~~(7) Natural areas;~~

14 ~~(8) Agricultural production; and~~

15 ~~(9) Open spaces and scenic resources.~~

16 ~~(h) The fund shall be used for:~~

17 ~~(1) The acquisition of interests or rights in land having~~
18 ~~value as a resource to the State, whether in fee title~~
19 ~~or through the establishment of permanent conservation~~
20 ~~easements under chapter 198 or agricultural easements;~~



S.B. NO. 190

- 1 ~~(2) The payment of any debt service on state financial~~
2 ~~instruments relating to the acquisition of interests~~
3 ~~or rights in land having value as a resource to the~~
4 ~~State;~~
- 5 ~~(3) Annual administration costs for the fund, not to~~
6 ~~exceed five per cent of annual fund revenues of the~~
7 ~~previous year;~~
- 8 ~~(4) Costs related to the operation, maintenance, and~~
9 ~~management of lands acquired by way of this fund that~~
10 ~~are necessary to protect, maintain, or restore~~
11 ~~resources at risk on these lands, or that provide for~~
12 ~~greater public access and enjoyment of these lands;~~
13 ~~provided that the costs related to the operation,~~
14 ~~maintenance, and management of lands acquired by way~~
15 ~~of this fund do not exceed five per cent of annual~~
16 ~~fund revenues of the previous year;~~
- 17 ~~(5) Invasive species control and mitigation by the~~
18 ~~invasive species council under chapter 194; and~~
- 19 ~~(6) Reforestation and sediment run-off mitigation.~~
- 20 ~~(i) Based on applications from state agencies, counties,~~
21 ~~and nonprofit land conservation organizations, the department,~~



1 ~~in consultation with the senate president and speaker of the~~
2 ~~house of representatives, shall recommend to the board specific~~
3 ~~parcels of land to be acquired, restricted with conservation~~
4 ~~easements, or preserved in similar fashion. The board shall~~
5 ~~review the selections and approve or reject the selections~~
6 ~~according to the availability of moneys in the fund. To be~~
7 ~~eligible for grants from the fund, state and county agencies and~~
8 ~~nonprofit land conservation organizations shall submit~~
9 ~~applications to the department that contain:~~

- 10 ~~(1) Contact information for the project;~~
- 11 ~~(2) A description of the project;~~
- 12 ~~(3) The request for funding;~~
- 13 ~~(4) Cost estimates for acquisition of the interest in the~~
14 ~~land;~~
- 15 ~~(5) Location and characteristics of the land;~~
- 16 ~~(6) The project's public benefits, including but not~~
17 ~~limited to where public access may be practicable or~~
18 ~~not practicable and why;~~
- 19 ~~(7) Results of the applicant's consultation with the staff~~
20 ~~of the department, the department of agriculture, the~~
21 ~~agribusiness development corporation, and the public~~



1 ~~land development corporation regarding the~~
2 ~~maximization of public benefits of the project, where~~
3 ~~practicable; and~~

4 ~~(8) Other similar, related, or relevant information as~~
5 ~~determined by the department.~~

6 ~~(j) For applications approved by the board, the board may~~
7 ~~acquire land having value as a resource to the State, pursuant~~
8 ~~to section 173A-4, or the board may award grants from the fund~~
9 ~~to the qualifying state or county agencies or nonprofit land~~
10 ~~conservation organizations for the preservation of the real~~
11 ~~property. Where the recipient of a grant is a county agency or~~
12 ~~nonprofit land conservation organization, the board shall~~
13 ~~require additional matching funds of at least twenty five per~~
14 ~~cent of the total project costs. Matching funds may be in the~~
15 ~~form of:~~

- 16 ~~(1) Direct moneys;~~
- 17 ~~(2) A combination of public and private funds;~~
- 18 ~~(3) Land value donation;~~
- 19 ~~(4) In-kind contributions; or~~
- 20 ~~(5) Any combination of the above.~~



1 ~~(k) Evidence of the matching funds in subsection (j) shall~~
2 ~~be made available by the qualifying entities prior to~~
3 ~~distribution of the fund grant.~~

4 ~~(1) The board shall:~~

5 ~~(1) Track amounts disbursed from the fund;~~

6 ~~(2) Prepare and submit an annual report to the governor~~
7 ~~and the legislature at least twenty days prior to the~~
8 ~~convening of each regular session. The annual report~~
9 ~~shall include:~~

10 ~~(A) A summary of all interests or rights in land~~
11 ~~acquired during the preceding fiscal year;~~

12 ~~(B) A summary of what value each newly acquired land~~
13 ~~has as a resource to the State;~~

14 ~~(C) Proposals for future land acquisitions, including~~
15 ~~a summary of the resource value that the land may~~
16 ~~possess;~~

17 ~~(D) A financial report for the preceding fiscal year;~~
18 ~~and~~

19 ~~(E) Objectives and budget projections for the~~
20 ~~following fiscal year; and~~



1 ~~(3) Make copies of the annual report available to the~~
2 ~~public."]~~

3 SECTION 17. Section 195-9, Hawaii Revised Statutes, is
4 repealed.

5 ~~["§195-9 Natural area reserve fund; heritage program;~~
6 ~~established. (a) There is hereby established in the state~~
7 ~~treasury a special fund known as the natural area reserve fund~~
8 ~~to implement the purposes of this chapter, including the~~
9 ~~identification, establishment, and management of natural area~~
10 ~~reserves, the acquisition of private lands for new natural area~~
11 ~~reserves, the operation of the heritage program, and the~~
12 ~~provision of matching funds for the natural area partnership~~
13 ~~program. The fund shall be administered by the department.~~

14 ~~(b) The fund shall consist of moneys received from any~~
15 ~~public or private sources. The fund shall be held separate and~~
16 ~~apart from all other moneys, funds, and accounts in the state~~
17 ~~treasury, except that any moneys received from the federal~~
18 ~~government or from private contributions shall be deposited and~~
19 ~~accounted for in accordance with conditions established by the~~
20 ~~agencies or persons from whom the moneys are received.~~
21 ~~Investment earnings credited to the assets of the fund shall~~



1 ~~become a part of the assets of the fund. Any balance remaining~~
2 ~~in the fund at the end of any fiscal year shall be carried~~
3 ~~forward in the fund for the next fiscal year."]~~

4 SECTION 18. Section 304A-2253, Hawaii Revised Statutes, is
5 repealed.

6 [~~"§304A-2253 Research and training revolving fund. (a)~~

7 ~~There is established a University of Hawaii research and~~
8 ~~training revolving fund into which shall be deposited one~~
9 ~~hundred per cent of the total amount of indirect overhead~~
10 ~~revenues generated by the university from research and training~~
11 ~~programs. The board of regents is authorized to expend one~~
12 ~~hundred per cent of the revenues deposited in the fund for:~~

- 13 ~~(1) Research and training purposes that may result in~~
14 ~~additional research and training grants and contracts;~~
15 ~~(2) Facilitating research and training at the university;~~
16 ~~and~~
17 ~~(3) Further deposit into the discoveries and inventions~~
18 ~~special fund.~~

19 ~~(b) The annual report required to be made for this~~
20 ~~revolving fund shall include but not be limited to a breakdown~~
21 ~~of travel expenses.~~



1 ~~(c) Notwithstanding sections 304A-107 and [304A-2174] to~~
2 ~~the contrary, the board of regents or its designee, may~~
3 ~~establish a separate account within the research and training~~
4 ~~revolving fund for the purpose of providing advance funding to~~
5 ~~meet reimbursable costs incurred in connection with federally~~
6 ~~financed research and training projects. Any reimbursement~~
7 ~~received as a result of providing advance funding shall be~~
8 ~~deposited into the research and training revolving fund to be~~
9 ~~used for the purpose of meeting reimbursable costs incurred in~~
10 ~~connection with federally financed projects.~~

11 ~~(d) Revenues deposited into the fund shall not be used as~~
12 ~~a basis for reducing any current or future budget request or~~
13 ~~allotment to the university unless the university requests such~~
14 ~~a reduction."]~~

15 SECTION 19. Section 321-234, Hawaii Revised Statutes, is
16 repealed.

17 ~~["§321-234 Emergency medical services special fund. (a)~~
18 ~~There is established within the state treasury a special fund to~~
19 ~~be known as the emergency medical services special fund to be~~
20 ~~administered and expended by the department.~~



1 ~~(b) The moneys in the special fund shall be used by the~~
2 ~~department for operating a state comprehensive emergency medical~~
3 ~~services system including enhanced and expanded services, and~~
4 ~~shall not be used to supplant funding for emergency medical~~
5 ~~services authorized prior to [July 1, 2004].~~

6 ~~(c) Fees remitted pursuant to section 249-31, cigarette~~
7 ~~tax revenues designated under section 245-15, interest and~~
8 ~~investment earnings attributable to the moneys in the special~~
9 ~~fund, legislative appropriations, and grants, donations, and~~
10 ~~contributions from private or public sources for the purposes of~~
11 ~~the fund, shall be deposited into the special fund.~~

12 ~~(d) The department shall submit an annual report to the~~
13 ~~legislature no later than twenty days prior to the convening of~~
14 ~~each regular session that outlines the receipts of, and~~
15 ~~expenditures from, the special fund."]~~

16 SECTION 20. Section 334-15, Hawaii Revised Statutes, is
17 repealed.

18 ~~["§334-15 Mental health and substance abuse special fund;~~
19 ~~established. (a) There is established a special fund to be~~
20 ~~known as the mental health and substance abuse special fund into~~
21 ~~which shall be deposited all revenues and other moneys collected~~



1 ~~from certification programs and treatment services rendered by~~
2 ~~the mental health and substance abuse programs operated by the~~
3 ~~State. Notwithstanding any other law to the contrary, the~~
4 ~~department is authorized to establish separate accounts within~~
5 ~~the special fund for depositing moneys received from~~
6 ~~certification programs and from each mental health and substance~~
7 ~~abuse program. Moneys deposited into the respective accounts of~~
8 ~~each program shall be used for the payment of the operating~~
9 ~~expenses of the respective program.~~

10 ~~(b) The director shall submit a report to the legislature,~~
11 ~~not later than twenty days prior to the convening of each~~
12 ~~regular session, which identifies for each account in the~~
13 ~~special fund, the account balance and ceiling increase, any~~
14 ~~transfers and expenditures made, and the purposes of the~~
15 ~~expenditures."]~~

16 SECTION 21. Any unexpended or unencumbered funds remaining
17 in the land conservation fund, natural area reserve fund,
18 University of Hawaii research and training revolving fund,
19 emergency medical services special fund, or the mental health
20 and substance abuse special fund as of the close of business on
21 June 30, 2013, shall be transferred to the general fund.



S.B. NO. 190

1 SECTION 22. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 23. This Act shall take effect on June 30, 2013;
4 provided that the amendments made to sections 36-27(a) and 36-
5 30(a), Hawaii Revised Statutes, by sections 3 and 4 of this Act
6 shall not be repealed when sections 36-27 and 36-30, Hawaii
7 Revised Statutes, are reenacted on June 30, 2015, by section 34
8 of Act 79, Session Laws of Hawaii 2009.

9

INTRODUCED BY: Amiel Ylge
BY REQUEST



S.B. NO. 190

Report Title:

Special Funds; Revolving Funds; Auditor

Description:

Amends criteria to be used by the auditor in analyzing legislative bills proposing to establish new special or revolving funds. Clarifies that a special or revolving fund to be established or continued shall reflect a clear nexus between benefits sought and charges made upon program users or beneficiaries or between the program and the sources of revenue. Requires the auditor to review special funds, as well as revolving and trust funds, of designated governmental entities. Beginning 2014 and every five years thereafter, requires the auditor to review the special, revolving, and trust funds of the DOT and DOD. Reduces from \$3 to \$1 the drivers education fund underwriters fee and repeals the \$2 of the fee allocated to the DOE drivers education program and traffic safety education program. Repeals the land conservation fund, natural area reserve fund, UH research and training revolving fund, emergency medical services special fund, and mental health and substance abuse special fund, and transfers balances to the general fund.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

