

1 § -2 **Establishment of state investment board; purpose.**

2 (a) There is established the state investment board, which
3 shall be a public body corporate and politic and an
4 instrumentality and agency of the State. The board shall be
5 placed within the department of accounting and general services
6 for administrative purposes only. The purpose of the board
7 shall be to encourage economic development by generating revenue
8 through the investment of public funds. The funds shall be
9 invested with the goal of maximizing long-term return on
10 investment.

11 (b) The board shall consist of six members, to be
12 appointed by the governor, pursuant to section 26-34, to serve
13 for a term of six years each, one of the terms to expire January
14 1 of each year.

15 (c) The members of the board appointed under subsection
16 (b) shall serve without compensation, but may be reimbursed for
17 expenses, including travel expenses, incurred in the performance
18 of their duties.

19 (d) The board shall elect a chairperson from among its
20 members.

21 § -3 **Duties of the board.** The board shall:



- 1 (1) Administer the fund;
- 2 (2) Contract with a qualified person to manage investments
- 3 made with moneys in the fund;
- 4 (3) Develop criteria for selecting a qualified person;
- 5 (4) Develop investment policy; and
- 6 (5) Adopt rules necessary to carry out the purposes of
- 7 this chapter.

8 § -4 **State investment special fund.** (a) There shall be
9 established the state investment special fund, into which shall
10 be deposited:

- 11 (1) Appropriations made by the legislature to the fund;
- 12 (2) All interest earned on or accrued to moneys deposited
- 13 in the fund;
- 14 (3) All moneys earned on investments; and
- 15 (4) Any other moneys made available to the fund from other
- 16 sources.

17 (b) Moneys in the fund shall be expended by the board for
18 the following purposes:

- 19 (1) Investments; and
- 20 (2) Expenses necessary to carry out the purposes of the
- 21 board.



1 (c) Moneys in the fund may be transferred to the general
2 fund by legislative act; provided that moneys deposited into the
3 fund pursuant to subsection (a) (1) may not be transferred,
4 except upon repeal of the fund.

5 § -5 **Contracts for services necessary for management**
6 **and operation of board.** The board may contract with public or
7 private persons for the provision of all or a portion of the
8 services necessary for the management and operation of the
9 board. The board shall have the power to use all
10 appropriations, grants, contractual reimbursements, and all
11 other funds not appropriated for a designated purpose to pay for
12 the proper general expenses and to carry out the purposes of the
13 board.

14 § -6 **Limitation on liability.** Chapters 661 and 662 or
15 any other law to the contrary notwithstanding, nothing in this
16 chapter shall create an obligation, debt, claim, cause of
17 action, claim for relief, charge, or any other liability of any
18 kind whatsoever in favor of any person or entity, against the
19 State or its officers and employees, without regard to whether
20 that person or entity receives any benefits under this chapter.
21 The State and its officers and employees shall not be liable for



1 the results of any investment made pursuant to this chapter.
2 Nothing in this chapter shall be construed as authorizing any
3 claim against the corporation in excess of any note, loan, or
4 other specific indebtedness incurred by the board or in excess
5 of any insurance policy acquired for the board or its employees.

6 § -7 **Annual report.** The board shall submit a complete
7 and detailed report of the board's activities to the
8 legislature. The report shall be submitted not later than
9 twenty days before the convening of the regular session of 2016,
10 and every year thereafter.

11 § -8 **Annual audit.** The books and records of the board
12 shall be subject to an annual audit by an independent auditor.

13 § -9 **Construction of chapter.** The powers conferred by
14 this chapter shall be in addition and supplemental to other
15 powers conferred by any other law. Insofar as the provisions of
16 this chapter are inconsistent with the provisions of any other
17 law, this chapter shall be controlling."

18 PART II

19 SECTION 2. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$1,000,000 or so much
21 thereof as may be necessary for fiscal year 2015-2016 and the



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1 same sum or so much thereof as may be necessary for fiscal year
2 2016-2017 for deposit into the state investment special fund.

3 The sums appropriated shall be expended by the state
4 investment board for the purposes of this Act.

5 PART III

6 SECTION 3. This Act shall take effect upon its approval;
7 provided that part II shall take effect on July 1, 2015.

8

INTRODUCED BY:

Karl M. ...

JAN 23 2015



H.B. NO. 400

Report Title:

State Investment Special Fund; Board; Appropriation

Description:

Establishes the state investment special fund and state investment board. Appropriates \$1,000,000 to the special fund.

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