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# A BILL FOR AN ACT

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RELATING TO FUNDS.

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

PART I

SECTION 1. The purpose of this part is to repeal the University of Hawaii community services special fund.

The legislature finds that the fund does not meet the criteria for a special fund and should be repealed.

SECTION 2. Section 304A-2156, Hawaii Revised Statutes, is repealed.

~~["§304A-2156] University of Hawaii community services special fund. (a) There is established the University of Hawaii community services special fund. Except as otherwise provided by law, all revenues, including interest, derived and collected from the university's provision of public service programs shall be deposited into the University of Hawaii community services special fund. The university may establish and collect fees and charges for public service programs. All revenues deposited into the University of Hawaii community services special fund shall be used exclusively for the costs of~~



~~1 providing public service programs. The university may establish~~  
~~2 accounts under the community services special fund to facilitate~~  
~~3 the administration of this fund among the various campuses and~~  
~~4 operating units of the University of Hawaii system. All~~  
~~5 expenditures from this fund shall be subject to legislative~~  
~~6 appropriation.~~

~~7 (b) As used in this section, "public service programs"~~  
~~8 means:~~

~~9 (1) Noncredit educational programs in professional~~  
~~10 development and training, personal growth, and~~  
~~11 cultural enrichment, and~~

~~12 (2) Cooperative extension and consultative services."]~~

## PART II

14 SECTION 3. The purpose of this part is to reclassify the  
15 Hawaii educator loan program special fund as a revolving fund.

16 The legislature finds that the fund functions as, and meets  
17 the criteria for, a revolving fund and should be reclassified as  
18 a revolving fund.

19 SECTION 4. Chapter 304A, part V, subpart D, Hawaii Revised  
20 Statutes, is amended by adding a new section to be appropriately  
21 designated and to read as follows:



1       "§304A-       Hawaii educator loan program revolving fund.

2   There is established the Hawaii educator loan program revolving  
3   fund, for the purpose of providing loans pursuant to section  
4   304A-701. The following may be deposited into the revolving  
5   fund: appropriations made by the legislature, private  
6   contributions, repayment of loans, including interest and  
7   payments received on account of principal, and moneys from other  
8   sources; provided that:

- 9       (1) Moneys on balance in the revolving fund at the close  
10       of each fiscal year shall remain in that fund and  
11       shall not lapse to the credit of the general fund; and  
12       (2) An amount from the revolving fund not exceeding five  
13       per cent of the total amount of outstanding loans may  
14       be set by the university to be used for administrative  
15       expenses incurred in administering the revolving  
16       fund."

17       SECTION 5. Section 304A-701, Hawaii Revised Statutes, is  
18   amended by amending subsection (g) to read as follows:

19       "(g) In accordance with chapter 103D, the university may  
20   enter into written contracts with collection agencies for the  
21   purpose of collecting delinquent loans. All payments collected,



1 exclusive of a collection agency's commissions, shall revert,  
2 and be credited, to the Hawaii educator loan program [~~special~~]  
3 revolving fund[-] established pursuant to section 304A- . A  
4 collection agency that enters into a written contract with the  
5 university for the collection of delinquent loans pursuant to  
6 this section may collect a commission from the debtor in  
7 accordance with the terms of, and up to the amounts authorized  
8 in, the written contract."

9 SECTION 6. Section 304A-703, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 " ~~[+]~~§304A-703 ~~[+]~~ **Capacity of minors in qualifying for**  
12 **Hawaii educator loans.** Any student otherwise qualifying for a  
13 loan under the Hawaii educator loan program [~~special~~] revolving  
14 fund established pursuant to section 304A- shall not be  
15 disqualified because the student is under the age of eighteen  
16 years, and for the purpose of applying for, receiving, and  
17 repaying the loan, any [~~such~~] person shall be deemed to have  
18 full legal capacity to act and shall have all rights, powers,  
19 privileges, and obligations of an adult with respect thereto."

20 SECTION 7. Section 304A-2161, Hawaii Revised Statutes, is  
21 repealed.



~~["§304A-2161] Hawaii educator loan program special fund.~~

~~There is established the Hawaii educator loan program special fund, for the purpose of providing loans pursuant to section [304A-701]. The following may be deposited into the special fund: appropriations made by the legislature, private contributions, repayment of loans, including interest and payments received on account of principal, and moneys from other sources, provided that:~~

~~(1) Moneys on balance in the special fund at the close of each fiscal year shall remain in that fund and shall not lapse to the credit of the general fund; and~~

~~(2) An amount from the special fund not exceeding five per cent of the total amount of outstanding loans may be set by the university to be used for administrative expenses incurred in administering the special fund." ]~~

## PART III

SECTION 8. The purpose of this part is to reclassify the community colleges special fund as a revolving fund.

The legislature finds that the fund functions as, and meets the criteria for, a revolving fund and should be reclassified as a revolving fund.



SECTION 9. Chapter 304A, part V, subpart D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§304A- Community colleges revolving fund. (a)  
Section 304A-2003 notwithstanding, there is established a  
community colleges revolving fund to receive, disburse, and  
account for funds of programs and activities of the community  
colleges, including off-campus programs, summer session  
programs, overseas programs, evening sessions, study abroad,  
exchange programs, cultural enrichment programs, and  
consultative services that help make available the resources of  
the community colleges to the communities they serve.

(b) The revolving fund may include deposits from:

(1) Tuition, fees, and charges for affiliated  
instructional, training, and public service courses  
and programs; and

(2) Fees, fines, and other money collected for:

(A) Student health;

(B) Transcript and diploma;

(C) Library;

(D) Facility use;



1           (E) Child care;

2           (F) Auxiliary enterprises;

3           (G) Alumni; and

4           (H) Other related activities."

5           SECTION 10. Section 304A-2162, Hawaii Revised Statutes, is  
6 repealed.

7           ~~["[§304A-2162] Community colleges special fund. (a)~~  
8 ~~Section [304A-2003] notwithstanding, there is established a~~  
9 ~~community colleges special fund to receive, disburse, and~~  
10 ~~account for funds of programs and activities of the community~~  
11 ~~colleges, including but not limited to off campus programs,~~  
12 ~~summer session programs, overseas programs, evening sessions,~~  
13 ~~study abroad, exchange programs, cultural enrichment programs,~~  
14 ~~and consultative services that help make available the resources~~  
15 ~~of the community colleges to the communities they serve.~~

16           ~~(b) The special fund may include deposits from:~~

17           ~~(1) The University of Hawaii tuition and fees special fund~~  
18           ~~established in section [304A-2153];~~

19           ~~(2) Tuition, fees, and charges for affiliated~~  
20           ~~instructional, training, and public service courses~~  
21           ~~and programs; and~~



~~(3) Fees, fines, and other money collected for:~~

~~(A) Student health;~~

~~(B) Transcript and diploma;~~

~~(C) Library;~~

~~(D) Facility use;~~

~~(E) Child care;~~

~~(F) Auxiliary enterprises;~~

~~(G) Alumni; and~~

~~(H) Other related activities."]~~

#### PART IV

SECTION 11. The purpose of this part is to repeal the Hawaii medical education special fund.

The legislature finds that the fund no longer serves the purpose for which it was created, does not meet the criteria for a special fund, and should be repealed.

SECTION 12. Section 304A-1702, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

"(b) The program shall be funded with moneys received for graduate medical education [~~and deposited into the Hawaii medical education special fund established under section [304A-2164]~~].





(c) All funding for the graduate medical education program shall be nonlapsing.

(d) Program moneys shall only be expended if:

(1) Approved by the medical education council; and

(2) Used for graduate medical education in accordance with sections [§] 304A-1704 [§] and [§] 304A-1705 [§]."

SECTION 13. Section 304A-2164, Hawaii Revised Statutes, is repealed.

~~["§304A-2164] Hawaii medical education special fund.~~

~~There is established a Hawaii medical education special fund, into which shall be deposited all funds received by the medical education council, including:~~

~~(1) Moneys from the federal Centers for Medicaid and~~

~~Medicare Services or other federal agencies;~~

~~(2) State appropriations; and~~

~~(3) Grants, contracts, donations, or private~~

~~contributions.~~

~~The fund shall be administered by the university. Moneys deposited in the fund shall be expended by the university for the purposes of the graduate medical education program established under section [304A-1702]."~~



## PART V

SECTION 14. The purpose of this part is to repeal the discoveries and inventions special fund.

The legislature finds that the fund does not meet the criteria for a special fund and should be repealed.

SECTION 15. Section 304A-2253, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

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

SECTION 16. Section 304A-2174, Hawaii Revised Statutes, is repealed.

~~["[304A-2174] Discoveries and inventions special fund.~~  
~~There is established a discoveries and inventions special fund~~



~~into which shall be deposited a portion of the total indirect overhead funds generated by the university for research and training purposes in the prior fiscal year, as determined by the board of regents. Appropriations by the legislature subject to the approval of the governor, proceeds from the commercial exploitation of inventions and intellectual property developed at the university, gifts, donations, fees collected, and grants from public agencies and private persons may also be deposited into the special fund for the purposes of supporting innovation and research commercialization and the patenting, copyrighting, licensing, and marketing of discoveries, inventions, and technologies developed at the university. The special fund shall be used to develop technologies that have potential commercial value, support the administration of technology transfer activities, and facilitate economic development through education and research undertaken at the university." ]~~

PART VI

SECTION 17. The purpose of this part is to repeal the University of Hawaii alumni special fund.

The legislature finds that the fund no longer serves the purpose for which it was created and should be repealed.



SECTION 18. Section 304A-2175, Hawaii Revised Statutes, is repealed.

~~["§304A-2175]—University of Hawaii alumni special fund.~~  
~~There is established the University of Hawaii alumni special fund into which shall be deposited funds and proceeds received by the university from alumni activities and donations from alumni. Funds deposited into this special fund may be expended by the university for all costs associated with conducting alumni affairs, activities, and programs for the university system, including but not limited to expenses for honoraria, hotel and room rentals, food and refreshment, printing and mailing, banners and signs, plaques and awards, airfare and per diem, leis, rental of audiovisual, musical, and stage equipment, and activity supplies and materials, without regard to statutory competitive bidding requirements."~~

PART VII

SECTION 19. The purpose of this part is to repeal the University of Hawaii at Manoa intercollegiate athletics special fund.

The legislature finds that the fund does not meet the criteria for a special fund and should be repealed.



SECTION 20. Section 304A-2176, Hawaii Revised Statutes, is amended to read as follows:

" ~~[§] §304A-2176 [§] — University of Hawaii at Manoa intercollegiate athletics special fund and]~~ University of Hawaii at Hilo intercollegiate athletics special fund. (a)

Notwithstanding any other law to the contrary, there ~~[are]~~ is established ~~[the University of Hawaii at Manoa intercollegiate athletics special fund and]~~ the University of Hawaii at Hilo intercollegiate athletics special fund for the intercollegiate athletic programs of ~~[the University of Hawaii at Manoa and]~~ the University of Hawaii at Hilo, which shall be used to receive, deposit, disburse, and account for funds from the activities of the intercollegiate athletic programs. The university may establish appropriate charges for activities related to its athletic programs and the use of its athletic facilities, the proceeds from which shall be deposited into ~~[these]~~ the special ~~[funds.]~~ fund.

(b) The university shall maintain the financial integrity and viability of ~~[these]~~ the special ~~[funds,]~~ fund, including the maintenance of an adequate reserve to cope with the various



1 factors that impact the revenue structure of an intercollegiate  
2 athletic program."

3 PART VIII

4 SECTION 21. The purpose of this part is to repeal the  
5 animal research farm, Waialeale, Oahu special fund.

6 The legislature finds that the fund no longer serves its  
7 original purpose, does not meet the criteria for a special fund,  
8 and should be repealed.

9 SECTION 22. Section 304A-2177, Hawaii Revised Statutes, is  
10 repealed.

11 [~~"[§304A-2177] Animal research farm, Waialeale, Oahu special~~  
12 ~~fund. There is established the animal research farm, Waialeale,~~  
13 ~~Oahu special fund for the animal research farm, Waialeale, Oahu,~~  
14 ~~operated by the college of tropical agriculture and human~~  
15 ~~resources of the University of Hawaii, into which shall be~~  
16 ~~deposited the receipts from fees realized from the sale of~~  
17 ~~livestock, services, and supplies. Funds deposited into this~~  
18 ~~special fund shall be expended for animal research, and services~~  
19 ~~and supplies related thereto."]~~



## PART IX

SECTION 23. The purpose of this part is to reclassify the professional student exchange program special fund as a revolving fund.

The legislature finds that a revolving fund classification is more appropriate because the fund was created to account for receipts and disbursements related to financial support provided to participants of the professional student exchange program.

SECTION 24. Chapter 304A, part V, subpart D, is amended by adding a new section to be appropriately designated and to read as follows:

"§304A- Professional student exchange program revolving fund. (a) There is established a professional student exchange program revolving fund to be administered and expended by the Hawaii commission.

(b) The following moneys shall be deposited into the revolving fund:

(1) Principal and interest payments received as repayment of financial support from former or current participants of the professional student exchange program, pursuant to section 304A-3209; and



1        (2) Interest earned or accrued on moneys in the revolving  
2        fund.

3        (c) Moneys in the revolving fund shall be expended to:

4        (1) Support the professional student exchange program's  
5        activities, including the provision of financial  
6        support to participants at Western Interstate  
7        Commission for Higher Education receiver institutions;  
8        and

9        (2) Enforce the collection of delinquent obligations."

10       SECTION 25. Section 304A-2179, Hawaii Revised Statutes, is  
11       repealed.

12       ~~["[§304A-2179] Professional student exchange program~~  
13       ~~special fund. (a) There is established a professional student~~  
14       ~~exchange program special fund to be administered and expended by~~  
15       ~~the Hawaii commission.~~

16       ~~(b) The following moneys shall be deposited into the~~  
17       ~~special fund:~~

18       ~~(1) Principal and interest payments received as repayment~~  
19       ~~of financial support from former or current~~  
20       ~~participants of the professional student exchange~~  
21       ~~program, pursuant to section 304A-3209; and~~





~~(2) Interest earned or accrued on moneys in the special fund.~~

~~(c) Moneys in the special fund shall be expended to:~~

~~(1) Support the professional student exchange program's activities, including the provision of financial support to participants at Western Interstate Commission for Higher Education receiver institutions; and~~

~~(2) Enforce the collection of delinquent obligations." ]~~

#### PART X

SECTION 26. The purpose of this part is to repeal the center for labor education and research revolving fund.

The legislature finds that the revolving fund is not necessary. It has had a relatively low balance and minimal recent activity.

SECTION 27. Section 304A-2267, Hawaii Revised Statutes, is repealed.

~~["~~§304A-2267~~] Center for labor education and research revolving fund. There is established the center for labor education and research revolving fund, for use by the director of the center for labor education and research with the approval~~



~~1 of the chancellor or vice chancellor of the University of  
2 Hawaii, West Oahu campus, in carrying out the purposes of the  
3 center. All fees, charges, and other moneys collected in  
4 conjunction with the operations of the center for labor  
5 education and research shall be deposited in the revolving fund.  
6 Such amounts shall be expended from the fund by the director of  
7 the center for labor education and research as may be necessary  
8 to defray the cost of operating the center for labor education  
9 and research, excluding compensation of the permanent staff, but  
10 including contractual obligation, rentals, and such other  
11 program costs as approved by the chancellor or vice chancellor,  
12 West Oahu campus." ]~~

PART XI

SECTION 28. The purpose of this part is to repeal the  
career and technical training projects revolving fund for the  
University of Hawaii at Hilo.

The legislature finds that the revolving fund is not  
necessary.

SECTION 29. Section 304A-2268, Hawaii Revised Statutes, is  
repealed.



1       ~~["§304A-2268] Career and technical training projects~~  
2   ~~revolving fund; University of Hawaii at Hilo. There is~~  
3   ~~established the career and technical training projects revolving~~  
4   ~~fund for the career and technical training projects of the~~  
5   ~~community colleges and the University of Hawaii at Hilo into~~  
6   ~~which shall be deposited the receipts from fees for services,~~  
7   ~~supplies, and use of equipment provided by or in connection with~~  
8   ~~these projects. Funds deposited in this account shall be~~  
9   ~~expended for vocational and technical training projects, and~~  
10   ~~supplies, equipment, and services related thereto."]~~

11                               PART XII

12       SECTION 30. The purpose of this part is to repeal the  
13   conference center revolving fund for the conference center  
14   program in the college of continuing education and community  
15   service of the University of Hawaii at Hilo.

16       The legislature finds that the fund does not serve its  
17   original purpose, experiences minimal activity, and should be  
18   repealed.

19       SECTION 31. Section 304A-2272, Hawaii Revised Statutes, is  
20   repealed.



1       ~~["§304A-2272] Conference center revolving fund,~~  
2       ~~University of Hawaii at Hilo. There is established the~~  
3       ~~conference center revolving fund for the conference center~~  
4       ~~program in the college of continuing education and community~~  
5       ~~service of the University of Hawaii at Hilo. All fees, charges,~~  
6       ~~and other moneys collected in conjunction with the conference~~  
7       ~~center program shall be deposited in the revolving fund. The~~  
8       ~~dean of the college of continuing education and community~~  
9       ~~service is authorized to expend funds from the revolving fund~~  
10      ~~for all costs associated with conducting conferences, seminars,~~  
11      ~~and courses by the conference center program, including but not~~  
12      ~~limited to expenses for honoraria, hotel and room rentals, food~~  
13      ~~and refreshment, printing and mailing, airfare and per diem,~~  
14      ~~leis, rental of audiovisual equipment, and conference supplies~~  
15      ~~and materials."]~~

16                                   PART XIII

17       SECTION 32. The purpose of this part is to repeal the  
18       Senator Hiram L. Fong scholarship program endowment trust fund.

19       The legislature finds that the fund does not serve the  
20       purpose for which it was created and should be repealed.



SECTION 33. Section 304A-2353, Hawaii Revised Statutes, is repealed.

~~["§304A-2353] The Senator Hiram L. Fong scholarship program; endowment trust. (a) There is established the Senator Hiram L. Fong scholarship program to be administered by the university with proceeds from an endowment trust that shall receive its initial funding by an appropriation out of the general revenues of the State. The program shall provide financial support to students enrolled at any campus of the university.~~

~~(b) Awards shall be granted annually to one female student and one male student who:~~

- ~~(1) Are graduates of a public high school in the State;~~
- ~~(2) Are upperclassmen at the university;~~
- ~~(3) Submit winning essays to the board of regents on the senator's contributions to Hawaii;~~
- ~~(4) Have a demonstrated commitment to local community issues, as shown by volunteer work and participation in community organizations; and~~
- ~~(5) Have a demonstrated interest and knowledge of the history of immigration to Hawaii.~~



~~(c) The amount to be awarded to a student shall be determined by the board of regents with due regard to the total amount of funds available for the program. The award that a student receives under this program may be used to:~~

~~(1) Pay for the costs of tuition and fees for a single academic year;~~

~~(2) Pay for the costs of textbooks and other instructional materials for a single academic year;~~

~~(3) Pay for the costs of room and board at a dormitory or apartment maintained by the university for a single academic year; or~~

~~(4) Defray the difference between student need, as determined by the Free Application for Federal Student Aid, and the total cost of attendance for a single academic year.~~

~~(d) The board of regents shall adopt rules to implement the Senator Hiram L. Fong scholarship program. The rules shall be adopted pursuant to chapter 91 but shall be exempt from the public notice and public hearing requirements.~~

~~(e) The scholarship program shall be funded with proceeds from an endowment trust established with initial funding by an~~



~~appropriation out of the general revenues of the State and shall be administered by the board of regents for the purposes of supporting the Senator Hiram L. Fong scholarship program."]~~

PART XIV

SECTION 34. The purpose of this part is to repeal the Senator Oren E. Long scholarship program endowment trust.

The legislature finds that the fund does not serve the purpose for which it was created and should be repealed.

SECTION 35. Section 304A-2354, Hawaii Revised Statutes, is repealed.

~~["§304A-2354] The Senator Oren E. Long scholarship program; endowment trust. (a) There is established the Senator Oren E. Long scholarship program to be administered by the university with proceeds from an endowment trust that shall receive its initial funding by an appropriation out of the general revenues of the State. The program shall provide financial support to students enrolled at any campus of the university.~~

~~(b) Awards shall be granted annually to one female student and one male student who:~~

~~(1) Are graduates of a public high school in the State;~~



~~(2) Are upperclassmen at the university, and~~

~~(3) Submit winning essays to the board of regents on the  
senator's contributions to Hawaii.~~

~~(c) The amount to be awarded to a student shall be  
determined by the board of regents with due regard to the total  
amount of funds available for the program. The award that a  
student receives under this program may be used to:~~

~~(1) Pay for the costs of tuition and fees for a single  
academic year;~~

~~(2) Pay for the costs of textbooks and other instructional  
materials for a single academic year;~~

~~(3) Pay for the costs of room and board at a dormitory or  
apartment maintained by the university for a single  
academic year; or~~

~~(4) Defray the difference between student need, as  
determined by the Free Application for Federal Student  
Aid, and the total cost of attendance for a single  
academic year.~~

~~(d) The board of regents shall adopt rules to implement  
the Senator Oren E. Long scholarship program. The rules shall~~





1 ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
2 ~~public notice and public hearing requirements.~~

3 ~~(e) The scholarship program shall be funded with proceeds~~  
4 ~~from an endowment trust established with initial funding by an~~  
5 ~~appropriation out of the general revenues of the State and shall~~  
6 ~~be administered by the board of regents for the purposes of~~  
7 ~~supporting the Senator Oren E. Long scholarship program."]~~

8 PART XV

9 SECTION 36. The hurricane Iniki insurance proceeds special  
10 fund administratively established in 1993 and administered by  
11 the University of Hawaii is abolished.

12 PART XVI

13 SECTION 37. The unrestricted quasi-endowment income and  
14 scholarship revolving fund administered by the University of  
15 Hawaii is abolished.

16 PART XVII

17 SECTION 38. On July 1, 2015, all unencumbered balances  
18 remaining in the accounts and funds repealed or abolished by  
19 this Act shall lapse to the credit of the general fund; provided  
20 that on July 1, 2015:



1           (1) The director of finance shall transfer the  
2           unencumbered balances in the:

3           (A) Hawaii educator loan program special fund  
4           repealed pursuant to part II of this Act to the  
5           Hawaii educator loan program revolving fund  
6           established pursuant to part II of this Act;

7           (B) Community colleges special fund repealed pursuant  
8           to part III of this Act to the community colleges  
9           revolving fund established pursuant to part III  
10          of this Act; and

11          (C) Professional student exchange program special  
12          fund repealed pursuant to part IX of this Act to  
13          the professional student exchange program  
14          revolving fund established pursuant to part IX of  
15          this Act; and

16       (2) All unencumbered balances remaining in the  
17       unrestricted quasi-endowment income and scholarship  
18       revolving fund abolished pursuant to part XVI of this  
19       Act shall be disbursed by the board of regents  
20       according to its policies. Any unencumbered balances



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1 remaining on July 1, 2015, shall lapse to the credit  
2 of the general fund.

## 3 PART XVIII

4 SECTION 39. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 40. This Act shall take effect on July 1, 2015.

7  
INTRODUCED BY:

Colvin K. Ay  
Lindalchizane ✓

JAN 26 2015



# H.B. NO. 988

**Report Title:**

Non-General Funds; Repeal; Transfer of Balances

**Description:**

Repeals various non-general funds and accounts, transfers unencumbered balances to the general fund, and reclassifies selected special funds to revolving funds, as recommended by the auditor in report no. 14-18.

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

