JAN 2 3 2015

A BILL FOR AN ACT

RELATING TO TRUST FUNDS.

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

- 1 SECTION 1. The purpose of this Act is to address trust
- 2 funds.
- 3 More specifically, this Act subjects the expenditure of
- 4 trust funds for the compensation of public employees and
- 5 contracts for services to appropriation and allotment.
- 6 The legislature emphasizes that this Act applies only to
- 7 expenditures for the compensation of public employees and
- 8 contracts for services. This Act is not intended to apply to
- 9 expenditures for goods or construction, as those terms are
- 10 defined under the state procurement code in section 103D-104,
- 11 Hawaii Revised Statutes.
- 12 SECTION 2. Section 37-40, Hawaii Revised Statutes, is
- 13 amended to read as follows:
- 14 "§37-40 Exceptions; trust funds. (a) Except as to
- 15 administrative expenditures, and except as otherwise provided by
- 16 subsection (b) or another law, expenditures from trust funds may
- 17 be made by any department or establishment without appropriation

- 1 or allotment; provided that no expenditure shall be made from
- 2 and no obligation shall be incurred against any trust fund in
- 3 excess of the amount standing to the credit of the fund or for
- 4 any purpose for which the fund may not lawfully be expended.
- 5 Nothing in sections 37-31 to 37-41 shall require any trust
- 6 fund established pursuant to law be reappropriated annually.
- 7 (b) Expenditures of trust funds for the compensation,
- 8 including fringe benefits, of public employees and contracts for
- 9 services, as defined under section 103D-104, shall be subject to
- 10 appropriation and allotment. If a conflict between this
- 11 subsection and any other law occurs, this subsection shall
- 12 control unless the other law expressly specifies otherwise."
- 13 SECTION 3. Section 302A-1122, Hawaii Revised Statutes, is
- 14 amended to read as follows:
- 15 "[+] §302A-1122[+] Gifts. The board may receive and manage
- 16 moneys or other property, real, personal, or mixed, that may be
- 17 given, bequeathed, devised, or in any manner received from
- 18 sources other than the legislature or any federal appropriation
- 19 for the purposes of the department. All such moneys received
- 20 by, or on behalf of, the department shall be paid into the state
- 21 treasury[, and all]. All such moneys are appropriated for [the

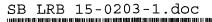
- 1 use of] expenditure by the department [-]; provided that the
- 2 expenditure of trust funds for the compensation, including
- 3 fringe benefits, of public employees or contracts for services
- 4 shall be subject to appropriation in the state budget,
- 5 supplemental budget, or other legislative act. The board shall
- 6 cause to be kept suitable books of accounts wherein shall be
- 7 recorded each gift, the essential facts of its management, and
- 8 the expenditure of the income."
- 9 SECTION 4. Section 304A-106, Hawaii Revised Statutes, is
- 10 amended to read as follows:
- "[+] §304A-106[+] Gifts; investment authority. (a) The
- 12 board of regents may receive, manage, and invest moneys or other
- 13 property, real, personal, or mixed, which may be given,
- 14 bequeathed, devised, or in any manner received from sources
- 15 other than the legislature or any federal appropriation for the
- 16 purpose of the university, its improvement or adornment, or the
- 17 aid or advantage of students or faculty, and in general act as
- 18 trustee on behalf of the university for any of such purposes or
- 19 objects.

| J | L | (d) | Any | law | to | the | contrary | notwithstanding, | land-grant |
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- 2 college aid moneys obtained under section [-f] 304A-2401[-f] may be
- 3 received, managed, and invested pursuant to this section.
- 4 (c) Expenditures of trust funds for the compensation,
- 5 including fringe benefits, of public employees and contracts for
- 6 services shall be subject to section 37-40(b).
- 7 [(c)] (d) The board of regents shall cause to be kept
- 8 suitable books of account wherein shall be recorded each gift,
- 9 the essential facts of the management thereof, and the
- 10 expenditure of the income. A statement of all trust funds shall
- 11 be included in the annual report to the governor and the
- 12 legislature."
- 13 SECTION 5. Statutory material to be repealed is bracketed
- 14 and stricken. New statutory material is underscored.
- 15 SECTION 6. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:



Report Title:

Trust Funds; Appropriations

Description:

Requires the expenditure of trust funds for the compensation, including fringe benefits, of public employees and contracts for services to be subject to appropriation and allotment. Effective 07/01/16.

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