
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AUDIT OF THE
ATTORNEY GENERAL'S EXPENDITURE OF MONEYS FROM THE NOTARIES
PUBLIC REVOLVING FUND DURING FISCAL YEARS 2010-2014.

1 WHEREAS, the Notaries Public Revolving Fund was established
2 by Act 290, Session Laws of Hawaii 1998, to account for receipts
3 from the fees associated with the original issuance or renewal
4 of a notary public's commission; penalties and fines for
5 violations of chapter 456, Hawaii Revised Statutes; and any
6 interest earned on money in the fund; and
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8 WHEREAS, in fiscal year 2004, the Auditor began performing
9 a review of the fund's financial data every five years, with the
10 first review covering the period of fiscal years 2000-2004, the
11 second review covering fiscal years 2005-2009, and the third and
12 last review covering fiscal years 2010-2014; and
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14 WHEREAS, the Auditor's review of the fund's financial data
15 for fiscal years 2000-2004 indicated that the average yearly
16 expenditure from the fund was \$49,400, with \$80,000 remaining in
17 the fund at the end of fiscal year 2004; and
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19 WHEREAS, the Auditor's review of the fund's financial data
20 for fiscal years 2005-2009 indicated that the average yearly
21 expenditure from the fund was \$50,800, with \$262,000 remaining
22 in the fund at the end of fiscal year 2009; and
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24 WHEREAS, the Auditor's review of the fund's financial data
25 for fiscal years 2010-2014 indicated that the average yearly
26 expenditure from the fund was \$135,000, with \$2,000 remaining in
27 the fund at the end of fiscal year 2014; and
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29 WHEREAS, the Auditor noted in the review of financial data
30 for fiscal years 2010-2014 that: "The fund spent more than it



1 generated during the review period, jeopardizing its capacity to
2 be self-sustaining. According to the department, the program
3 can be successfully implemented if general funds are
4 appropriated. We note that Section 456-9(d), HRS, provides that
5 if the revolving fund is terminated, moneys are to be deposited
6 into the general fund."; and
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8 WHEREAS, the Auditor also described in the 2010-2014 review
9 that the Attorney General expanded the uses of the fund greatly
10 during that period, which appears to have been necessary; and
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12 WHEREAS, in 2013, approximately one year before the
13 Auditor's last review of the fund, the Attorney General received
14 permission from the Legislature to increase the current fees
15 associated with Hawaii notaries' commissions and to collect
16 additional fees from Hawaii notaries; and
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18 WHEREAS, although the Attorney General gave many
19 justifications for the increased and additional fees in 2013, if
20 the Attorney General was aware of the moneys expended from the
21 fund during fiscal years 2010-2013, the Attorney General likely
22 would have known that the fund would be unsustainable by the end
23 of 2014; and
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25 WHEREAS, although the budgets for each fiscal year during
26 the 2010-2014 review period were requested to be made available
27 pursuant to the Uniform Information Practices Act, the Attorney
28 General has yet to furnish any budgets from this period; now,
29 therefore,
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31 BE IT RESOLVED by the House of Representatives of the
32 Twenty-ninth Legislature of the State of Hawaii, Regular Session
33 of 2018, the Senate concurring, that the Auditor is requested to
34 conduct a financial audit of the Attorney General's expenditure
35 of \$675,000 from the Notaries Public Revolving Fund during
36 fiscal years 2010-2014; and
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38 BE IT FURTHER RESOLVED that the Auditor is also requested
39 to require that the Attorney General publish the budgets of the
40 Notaries Public Revolving Fund each year on the Notary Office's
41 website; and
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1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Attorney General and
3 the Auditor.
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OFFERED BY:

BTakumi

Guthrie Hoelen

FEB 16 2018

