
A BILL FOR AN ACT

RELATING TO STATE FINANCES.

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

1 PART I

2 SECTION 1. Chapter 37, Hawaii Revised Statutes, is amended
3 by adding two new sections to be appropriately designated and to
4 read as follows:

5 "§37- Special fund program measures reports. No later
6 than October 1 annually, each department shall submit to the
7 legislature a report for each non-general fund account that
8 shall include but not be limited to the following:

- 9 (1) A statement of its objectives;
10 (2) Measures quantifying the target population to be
11 served for each of the ensuing six fiscal years;
12 (3) Measures by which the effectiveness in attaining the
13 objectives is to be assessed;
14 (4) The level of effectiveness planned for each of the
15 ensuing six fiscal years;
16 (5) A brief description of the activities encompassed;
17 (6) The program size indicators; and



1 (7) The program size planned for each of the next six
2 fiscal years.

3 §37- **Special fund cost element reports.** No later than
4 October 1 annually, each department shall submit to the
5 legislature a report for each non-general fund that shall
6 include but not be limited to the following:

- 7 (1) Budget details by cost element; and
- 8 (2) Non general fund names and account codes for each item
9 or object code."

10 SECTION 2. Section 37-47, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "[~~f~~]§37-47[~~f~~] **Reporting of non-general fund information.**

13 No later than [~~twenty days prior to the convening of each~~
14 ~~regular session,~~] October 1 annually, each department shall
15 submit to the legislature a report for each non-general fund
16 account [~~which~~] that shall include but not be limited to[~~7~~] the
17 following:

- 18 (1) The name of the fund and a cite to the law authorizing
19 the fund;
- 20 (2) The intended purpose of the fund;



- 1 (3) The current program activities which the fund
- 2 supports;
- 3 (4) The balance of the fund at the beginning of the
- 4 current fiscal year;
- 5 (5) The total amount of expenditures and other outlays
- 6 from the fund account for the previous fiscal year;
- 7 (6) The total amount of revenue deposited to the account
- 8 for the previous fiscal year;
- 9 (7) A detailed listing of all transfers from the fund;
- 10 (8) The amount of moneys encumbered in the account as of
- 11 the beginning of the fiscal year;
- 12 (9) The amount of funds in the account which are required
- 13 for the purposes of bond conveyance or other related
- 14 bond obligations;
- 15 (10) The amount of moneys in the account derived from bond
- 16 proceeds; and
- 17 (11) The amount of moneys of the fund held in certificates
- 18 of deposit, escrow accounts or other investments."

PART II

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



1 "(a) [~~Except as provided in this section, and~~
2 ~~notwithstanding any other law to the contrary, from time to~~
3 ~~time, the]~~ The director of finance, for the purpose of defraying
4 the prorated estimate of central service expenses of government
5 in relation to all special funds, except the:

6 (1) Special out-of-school time instructional program fund
7 under section 302A-1310;

8 (2) School cafeteria special funds of the department of
9 education;

10 (3) Special funds of the University of Hawaii;

11 [~~(4)~~] ~~State educational facilities improvement special fund;~~

12 ~~(5)~~ ~~Convention center enterprise special fund under~~
13 ~~section 201B-8;~~

14 ~~(6)]~~ (4) Special funds established by section 206E-6;

15 [~~(7)]~~ (5) Aloha Tower fund created by section 206J-17;

16 [~~(8)]~~ (6) Funds of the employees' retirement system created
17 by section 88-109;

18 [~~(9)]~~ (7) Hawaii hurricane relief fund established under
19 chapter 431P;

20 [~~(10)]~~ (8) Hawaii health systems corporation special funds
21 and the subaccounts of its regional system boards;



- 1 [~~(11)~~] ~~Tourism special fund established under~~
2 ~~section 201B-11;~~
- 3 [~~(12)~~] (9) Universal service fund established under
4 section 269-42;
- 5 [~~(13)~~] (10) Emergency and budget reserve fund under
6 section 328L-3;
- 7 [~~(14)~~] (11) Public schools special fees and charges fund
8 under section 302A-1130;
- 9 [~~(15)~~] (12) Sport fish special fund under section 187A-9.5;
- 10 [~~(16)~~] (13) Neurotrauma special fund under section 321H-4;
- 11 [~~(17)~~] (14) Glass advance disposal fee established by
12 section 342G-82;
- 13 [~~(18)~~] (15) Center for nursing special fund under
14 section 304A-2163;
- 15 [~~(19)~~] (16) Passenger facility charge special fund
16 established by section 261-5.5;
- 17 [~~(20)~~] (17) Solicitation of funds for charitable purposes
18 special fund established by section 467B-15;
- 19 [~~(21)~~] (18) Land conservation fund established by
20 section 173A-5;



- 1 ~~[(+22)]~~ (19) Court interpreting services revolving fund under
2 section 607-1.5;
- 3 ~~[(+23)]~~ ~~Trauma system special fund under section 321-22.5;~~
- 4 ~~(+24)]~~ (20) Hawaii cancer research special fund;
- 5 ~~[(+25)]~~ (21) Community health centers special fund;
- 6 ~~[(+26)]~~ ~~Emergency medical services special fund;~~
- 7 ~~(+27)]~~ (22) Rental motor vehicle customer facility charge
8 special fund established under section 261-5.6;
- 9 ~~[(+28)]~~ (23) Shared services technology special fund under
10 section 27-43;
- 11 ~~[(+29)]~~ (24) Automated victim information and notification
12 system special fund established under section 353-136;
- 13 ~~[(+30)]~~ (25) Deposit beverage container deposit special fund
14 under section 342G-104;
- 15 ~~[(+31)]~~ (26) Hospital sustainability program special fund
16 under ~~[+]~~section 346G-4~~[+]~~;
- 17 ~~[(+32)]~~ (27) Nursing facility sustainability program special
18 fund under ~~[+]~~section 346F-4~~[+]~~;
- 19 ~~[(+33)]~~ (28) Hawaii 3R's school improvement fund under
20 section 302A-1502.4;



1 ~~[(34)]~~ (29) After-school plus program revolving fund under
2 section 302A-1149.5; and
3 ~~[(35)]~~ (30) Civil monetary penalty special fund under section
4 321-30.2,
5 shall deduct five per cent of all receipts of all ~~[other]~~
6 special funds, which deduction shall be transferred to the
7 general fund of the State and become general realizations of the
8 State. All officers of the State and other persons having power
9 to allocate or disburse any special funds shall cooperate with
10 the director in effecting these transfers. To determine the
11 proper revenue base upon which the central service assessment is
12 to be calculated, the director shall adopt rules pursuant to
13 chapter 91 for the purpose of suspending or limiting the
14 application of the central service assessment of any fund. No
15 later than twenty days prior to the convening of each regular
16 session of the legislature, the director shall report all
17 central service assessments made during the preceding fiscal
18 year."

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

21 "(a) Each special fund, 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)]~~ (4) Special funds established by section 206E-6;
- 8 ~~[-(6)]~~ (5) Aloha Tower fund created by section 206J-17;
- 9 ~~[-(7)]~~ (6) Funds of the employees' retirement system created
10 by section 88-109;
- 11 ~~[-(8)]~~ (7) Hawaii hurricane relief fund established under
12 chapter 431P;
- 13 ~~[-(9) Convention center enterprise special fund established~~
14 ~~under section 201B-8;~~
- 15 ~~-(10)]~~ (8) Hawaii health systems corporation special funds
16 and the subaccounts of its regional system boards;
- 17 ~~[-(11) Tourism special fund established under~~
18 ~~section 201B-11;~~
- 19 ~~-(12)]~~ (9) Universal service fund established under
20 section 269-42;



1 ~~[(26)]~~ (21) Nursing facility sustainability program special
2 fund established pursuant to ~~[+]~~section 346F-4~~[+]~~;
3 ~~[(27)]~~ (22) Automated victim information and notification
4 system special fund established under section 353-136;
5 ~~[(28)]~~ (23) Hospital sustainability program special fund
6 under ~~[+]~~section 346G-4~~[+]~~; and
7 ~~[(29)]~~ (24) Civil monetary penalty special fund under
8 section 321-30.2,
9 shall be responsible for its pro rata share of the
10 administrative expenses incurred by the department responsible
11 for the operations supported by the special fund concerned."

12 SECTION 5. Section 245-15, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§245-15 Disposition of revenues.** (a) All moneys
15 collected pursuant to this chapter shall be paid into the state
16 treasury as state realizations to be kept and accounted for as
17 provided by law; provided that, of the moneys collected under
18 the tax imposed pursuant to:

19 (1) Section 245-3(a)(5), after September 30, 2006, and
20 prior to October 1, 2007, 1.0 cent per cigarette shall
21 be deposited to the credit of the Hawaii cancer



1 research special fund, established pursuant to
2 section 304A-2168, for research and operating expenses
3 and for capital expenditures;

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

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

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

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

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

20 (A) 2.0 cents per cigarette shall be deposited to the
21 credit of the Hawaii cancer research special



1 fund, established pursuant to section 304A-2168,
2 for research and operating expenses and for
3 capital expenditures;

4 (B) 0.5 cents per cigarette shall be deposited to the
5 credit of the trauma system special fund
6 established pursuant to section 321-22.5;

7 (C) 0.25 cents per cigarette shall be deposited to
8 the credit of the community health centers
9 special fund established pursuant to
10 section 321-1.65; and

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

15 (4) Section 245-3(a)(8), after June 30, 2009, and prior to
16 July 1, 2013:

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;



- 1 (B) 0.75 cents per cigarette shall be deposited to
- 2 the credit of the trauma system special fund
- 3 established pursuant to section 321-22.5;
- 4 (C) 0.75 cents per cigarette shall be deposited to
- 5 the credit of the community health centers
- 6 special fund established pursuant to
- 7 section 321-1.65; and
- 8 (D) 0.5 cents per cigarette shall be deposited to the
- 9 credit of the emergency medical services special
- 10 fund established pursuant to section 321-234;
- 11 (5) Section 245-3(a)(11), after June 30, 2013, and prior
- 12 to July 1, 2015:
- 13 (A) 2.0 cents per cigarette shall be deposited to the
- 14 credit of the Hawaii cancer research special
- 15 fund, established pursuant to section 304A-2168,
- 16 for research and operating expenses and for
- 17 capital expenditures;
- 18 (B) 1.5 cents per cigarette shall be deposited to the
- 19 credit of the trauma system special fund
- 20 established pursuant to section 321-22.5;



- 1 (C) 1.25 cents per cigarette shall be deposited to
2 the credit of the community health centers
3 special fund established pursuant to
4 section 321-1.65; and
- 5 (D) 1.25 cents per cigarette shall be deposited to
6 the credit of the emergency medical services
7 special fund established pursuant to
8 section 321-234; and
- 9 (6) Section 245-3(a)(11), after June 30, 2015~~[, and~~
10 ~~thereafter]~~:
- 11 (A) Prior to July 1, 2041 2.0 cents per cigarette
12 shall be deposited to the credit of the Hawaii
13 cancer research special fund, established
14 pursuant to section 304A-2168, for [~~research and~~
15 ~~operating expenses and for~~] capital expenditures;
- 16 (B) 1.125 cents per cigarette, but not more than
17 \$7,400,000 in a fiscal year, shall be deposited
18 to the credit of the trauma system special fund
19 established pursuant to section 321-22.5;
- 20 (C) 1.25 cents per cigarette, but not more than
21 \$8,800,000 in a fiscal year, shall be deposited



1 to the credit of the community health centers
2 special fund established pursuant to
3 section 321-1.65; and
4 (D) Prior to July 1, 2021, 1.25 cents per cigarette,
5 but not more than \$8,800,000 in a fiscal year,
6 shall be deposited to the credit of the emergency
7 medical services special fund established
8 pursuant to section 321-234.

9 (b) The department shall provide an annual accounting of
10 these dispositions to the legislature."

11 PART III

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect on July 1, 2021.



Report Title:

State Finances; Special Funds; General Fund; Central Services Expenses; Reporting

Description:

By October 1 of each year, requires each department to submit program measures, costs elements, and accounting reports for all non-general funds to the Legislature. Specifies that the cigarette tax revenues deposited to the credit of the cancer research special fund shall only be used for capital expenditures and only until 7/1/2041. Makes certain special funds subject to deductions for central service expenses into the general fund. Beginning 7/1/2021 transfers to the credit of the general fund surcharges and cigarette tax revenue allocated to the trauma systems special fund. (HD2)

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

