

JAN 25 2023

A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION SPECIAL FUND
CARRYOVER BALANCE.

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

1 SECTION 1. Section 269-33, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) All moneys in excess of [~~\$1,000,000~~] \$3,000,000
4 remaining on balance in the public utilities commission special
5 fund on June 30 of each year shall lapse to the credit of the
6 state general fund; provided that this ceiling shall not apply
7 to the subaccount established in subsections (e) and (f)."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on June 30, 2023.

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INTRODUCED BY: _____



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BY REQUEST

S.B. NO. 1328

Report Title:

Public Utilities Commission; Special Fund; General Fund; Chapter 269, Hawaii Revised Statutes

Description:

Increases the balance that may be retained in the Public Utilities Commission Special Fund at the end of each fiscal year from \$1,000,000 to \$3,000,000.

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

JUSTIFICATION SHEET

SB. NO. 1328

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION SPECIAL FUND CARRYOVER BALANCE.

PURPOSE: Increases the balance that may be retained in the Public Utilities Commission Special Fund at the end of each fiscal year from \$1,000,000 to \$3,000,000.

MEANS: Amend section 269-33(d), Hawaii Revised Statutes (HRS).

JUSTIFICATION: The Public Utilities Commission Special Fund is the primary source of funding for the operations of the Department of Commerce and Consumer Affairs' (DCCA) Public Utilities Commission (PUC) and Division of Consumer Advocacy (DCA). All funds in excess of the \$1,000,000 "carryover balance" at the end of each fiscal year are transferred to the general fund. This carryover balance is the PUC's only means to fulfill its financial obligations until the first major public utility fee deposit in August.

The current \$1,000,000 carryover balance was established by statute in 1994. It has never been increased, even though the PUC has grown significantly in the last 25 years. \$1,000,000 is no longer sufficient to meet the PUC's start-of-year expenses, which include statutory obligations under sections 269-33 and 36-27, HRS, the PUC's payroll, and other operational expenses.

This measure does not change the PUC budget or the legislative appropriation to the PUC Special Fund. PUC and DCA expenditures will still be subject to the budget and appropriations approved by the Legislature. Increasing the carryover balance will resolve timing issues and allow the PUC to

fulfill its financial obligations at the start of the fiscal year.

Impact on the public: This measure will have a positive impact on the public by allowing the PUC to more effectively represent consumer interests during the beginning of the year. Raising the carryover balance will aid the PUC in fulfilling its statutory duties to provide regulatory oversight, especially considering the increasing scope and complexity of the PUC's workload. This measure will also help with the encumbering of contracts, which the PUC relies upon in an era of increasingly technical electricity regulation.

Impact on the department and other agencies: The DCCA, and specifically the PUC and DCA, will be positively impacted. The PUC will be better equipped to meet its financial obligations consistent with legislative appropriations and statutory deadlines.

GENERAL FUNDS: Impact to the general fund will be minimal. The PUC will still be limited to spending within legislative budget appropriations. The increased carryover balance will only affect the general fund by delaying the deposit of the carryover balance into the general fund in the initial fiscal year.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: CCA-901.

OTHER AFFECTED AGENCIES: Department of Budget and Finance.

EFFECTIVE DATE: June 30, 2023.