
A BILL FOR AN ACT

RELATING TO CENTRAL SERVICES ASSESSMENT.

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

SECTION 1. Section 36-28, Hawaii Revised Statutes, is amended to read as follows:

"§36-28 Transfers from state highway fund for central service expenses. (a) Except as hereinafter provided, and notwithstanding any other law to the contrary, there shall be deducted from time to time by the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to the state highway fund created by section 248-8, five per cent of all receipts and deposits in the fund, after deducting therefrom any amounts pledged, charged, or encumbered for the payment of bonds or interest thereon during the current year, from which receipts or deposits no deduction of five per cent has been previously made, [which] or \$5,000,000, whichever is less.

(b) Beginning September 30, 2025, and every year thereafter, the director of transportation shall propose to the governor an adjustment to the amount transferred from the state



1 highway fund by calculating a percentage based on the Consumer
2 Price Index for All Urban Consumers in the Honolulu area, or a
3 successor index, for the twelve months prior to September 1 of
4 each year, less food and energy, as calculated by the United
5 States Bureau of Labor Statistics; provided that if in any year
6 the percentage adjustment based on the Consumer Price Index for
7 All Urban Consumers in Honolulu, or a successor index, would
8 result in a negative percentage, the governor may approve a zero
9 per cent adjustment or no adjustment. Upon the governor's
10 approval of the percentage adjustment, the director of finance
11 shall apply the percentage adjustment to the amount deducted
12 from the state highway fund and deduct any additional amounts.

13 (c) The deductions shall be transferred to the general
14 fund of the State and become general realizations of the State.
15 The [state] department of transportation shall cooperate with
16 the director of finance in effecting these transfers."

17 SECTION 2. Section 36-28.5, Hawaii Revised Statutes, is
18 amended to read as follows:

19 **"[+]§36-28.5[+] Transfer from airport revenue fund. (a)**
20 **Any law to the contrary notwithstanding, there shall be deducted**
21 **from time to time by the director of finance for the purpose of**



1 defraying the prorated estimate of central service expenses of
2 government in relation to the airport revenue fund five per cent
3 of all receipts and deposits in the airport revenue fund after
4 deducting therefrom any amounts pledged, charged, or encumbered
5 for the payment of bonds or interest thereon during the current
6 year, from which receipts or deposits no deduction of five per
7 cent has previously been made[-], or \$5,000,000, whichever is
8 less.

9 (b) Beginning September 30, 2025, and every year
10 thereafter, the director of transportation shall propose to the
11 governor an adjustment to the amount transferred from the
12 airport revenue fund by calculating a percentage based on the
13 Consumer Price Index for All Urban Consumers in the Honolulu
14 area, or a successor index, for the twelve months prior to
15 September 1 of each year, less food and energy, as calculated by
16 the United States Bureau of Labor Statistics; provided that if
17 in any year the percentage adjustment based on the Consumer
18 Price Index for All Urban Consumers in Honolulu, or a successor
19 index, would result in a negative percentage, the governor may
20 approve a zero per cent adjustment or no adjustment. Upon the
21 governor's approval of the percentage adjustment, the director



1 of finance shall apply the percentage adjustment to the amount
2 deducted from the airport revenue fund and deduct any additional
3 amounts.

4 (c) The deductions shall be transferred to the general
5 fund of the State and become general realizations of the State.

6 (d) For the purpose of this section, [~~the term~~] "any
7 amounts pledged, charged, or encumbered for the payment of bonds
8 or interest thereon during the current year" shall include:

9 (1) Amounts [~~which~~] that are so pledged, charged, or
10 encumbered;

11 (2) Amounts otherwise required to be applied to the
12 payment of principal of and interest on revenue bonds
13 or other revenue obligations; and

14 (3) Amounts required by law to be paid from the airport
15 revenue fund into the general fund of the State to
16 reimburse the general fund for bond requirements for
17 general obligation bonds issued for airport purposes.

18 (e) The director of transportation shall cooperate with
19 the director of finance in effecting the transfer."

20 SECTION 3. Section 36-29, Hawaii Revised Statutes, is
21 amended to read as follows:



1 **"§36-29 Transfer from harbor special fund.** (a) Any other
2 law to the contrary notwithstanding, there shall be deducted
3 from time to time by the director of finance for the purpose of
4 defraying the prorated estimate of central service expenses of
5 government in relation to the harbor special fund five per cent
6 of all receipts and deposits in the harbor special fund after
7 deducting therefrom any amounts pledged, charged, or encumbered
8 for the payment of bonds or interest thereon during the current
9 year, from which receipts or deposits no deduction of five per
10 cent has previously been made[-], or \$5,000,000, whichever is
11 less.

12 (b) Beginning September 30, 2025, and every year
13 thereafter, the director of transportation shall propose to the
14 governor an adjustment to the amount transferred from the harbor
15 special fund by calculating a percentage based on the Consumer
16 Price Index for All Urban Consumers in the Honolulu area, or a
17 successor index, for the twelve months prior to September 1 of
18 each year, less food and energy, as calculated by the United
19 States Bureau of Labor Statistics; provided that if in any year
20 the percentage adjustment based on the Consumer Price Index for
21 All Urban Consumers in Honolulu, or a successor index, would



1 result in a negative percentage, the governor may approve a zero
2 per cent adjustment or no adjustment. Upon the governor's
3 approval of the percentage adjustment, the director of finance
4 shall apply the percentage adjustment to the amount deducted
5 from the harbor special fund and deduct any additional amounts.

6 (c) The deductions shall be transferred to the general
7 fund of the State and become general realizations of the State.

8 (d) For the purposes of this section, [~~the term~~] "any
9 amount pledged, charged, or encumbered for the payment of bonds
10 or interest thereon during the current year" shall include:

11 (1) Amounts [~~which~~] that are so pledged, charged, or
12 encumbered;

13 (2) Amounts otherwise required to be applied to the
14 payment of principal of and interest on revenue bonds
15 or other revenue obligations;

16 (3) Amounts required to be paid into a separate special
17 fund for the payment of principal of and interest on
18 revenue bonds or other revenue obligations payable
19 from the second separate special fund; and

20 (4) Amounts required by law to be paid from the harbor
21 special fund into the general fund of the State to



1 reimburse the general fund for bond requirements for
2 general obligation bonds issued for harbor purposes.

3 (e) The second separate special fund maintained by
4 deposits from the harbor special fund shall not be deemed to be
5 a special fund within the meaning of section 36-27 or section
6 36-30.

7 (f) The director of transportation shall cooperate with
8 the director of finance in effecting the transfer."

9 SECTION 4. If any provision of this Act, or the
10 application thereof to any person or circumstance, is held
11 invalid, the invalidity does not affect other provisions or
12 applications of the Act that can be given effect without the
13 invalid provision or application, and to this end the provisions
14 of this Act are severable.

15 SECTION 5. If manifest clerical, typographical, or other
16 mechanical errors are found in this Act, the governor may
17 correct such errors.

18 SECTION 6. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 7. This Act shall take effect on July 1, 3000.



Report Title:

Central Service Expenses; Transfers; Central Services
Assessment; Central Service Expenses of Government; State
Highway Fund; Airport Revenue Fund; Harbor Special Fund

Description:

Amends the transfer of funds for central service expenses from
the State Highway Fund, Airport Revenue Fund, and Harbor Special
Fund. Effective 7/1/3000. (HD1)

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