THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2598

JAN 23 2026

A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

SECTION 1. The legislature finds that fluctuating federal policies continue to cause widespread challenges across the country, including reduced funding for federal and state programs that provide essential community services. To address these often sudden changes, the executive branch must have the ability to adapt to fluctuating revenue projections by shifting available moneys.

Accordingly, the purpose of this Act is to allow the moneys in certain special or revolving funds to be used for administrative and operating costs of the related programs.

SECTION 2. Section 163D-17, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The corporation shall hold the fund in an account or accounts separate from other funds. The corporation shall invest and reinvest the fund and the income thereof to:

(1) Purchase qualified securities issued by enterprises for the purpose of raising seed capital; provided that

the investment shall comply with the requirements of this chapter;

(2) Make grants, loans, and provide other monetary forms of assistance necessary to carry out the purposes of this chapter; and

(3) Purchase securities as may be lawful investments for fiduciaries in the State.

All appropriations, grants, contractual reimbursements, and other funds not designated for this purpose may be used to pay for the proper general expenses and to carry out the purposes of the corporation[~~.~~], including for personnel and other operating costs."

SECTION 3. Section 206E-16, Hawaii Revised Statutes, is amended to read as follows:

"**§206E-16 Hawaii community development special fund.** There is created the Hawaii community development special fund into which all receipts and revenues of the authority shall be deposited. Proceeds from the fund shall be used for the purposes of this chapter[~~.~~], including the costs of its administration."

SECTION 4. Section 206M-62, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~]§206M-62[~~§~~] **Strategic development programs revolving fund.** (a) There is established the strategic development programs revolving fund. The following moneys shall be deposited into the strategic development programs revolving fund and shall not be considered part of the general fund: all moneys appropriated by the legislature, received as repayments of loans, earned on investments, received pursuant to a venture agreement, received as royalties, received as premiums or fees charged by the development corporation, or otherwise received by the development corporation.

(b) Moneys in the strategic development programs revolving fund shall be used for the following purposes:

(1) To administer and fund the cost of operations of strategic development programs under part V of chapter 206M; and

(2) For any other purpose deemed necessary to carry out the purposes of part V of chapter 206M."

SECTION 5. Section 302A-1706, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The school facilities special fund shall be administered by the authority and used to fund any school development, planning, or construction project, including prekindergarten facilities, within the jurisdiction of the authority[~~.~~], including the cost of operations."

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

SECTION 7. This Act shall take effect upon its approval.

INTRODUCED BY: _____

S.B. NO. 2598

Report Title:
Special Funds; Revolving Funds

Description:
Authorizes the use of moneys in certain special and revolving funds for operation and administration costs of the programs.

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