

A Bill for an Act Relating to Social Services.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Purpose. The purpose of this Act is to enable persons who may be blind, aged, or disabled and thus eligible to apply for benefits under the Social Security Act as amended by P.L. 92-603 and P.L. 93-233 to receive a loan from the State.

The purpose of the loan is to prevent hardship for those applicants who are unable to receive an advance payment or a presumptive eligibility payment under the Social Security Act, as amended.

SECTION 2. Chapter 346, Hawaii Revised Statutes is amended by adding a new section to be appropriately numbered and to read as follows:

“Sec. 346- Loans to applicants for federal supplemental security income. Notwithstanding any laws to the contrary, the department of social services and housing may, out of its operating funds, make loans to any person otherwise eligible for public assistance as provided in Sections 346-52, 346-54, or 346-56 and is an applicant for benefits under the Federal Supplemental Income Program subject to the following conditions:

- (a) The Federal Bureau of Supplemental Security Income has denied applicant’s request for advance payment or finding of presumptive eligibility for supplemental security income;
- (b) The loan or loans shall be for a period not to exceed the action of the Federal Bureau of Supplemental Security Income approving or disapproving assistance under its program;
- (c) The loan or loans shall bear no interest;
- (d) The loan or loans shall not exceed the amount of assistance otherwise available to the applicant under Section 346-57;
- (e) The loan or loans shall be repaid by the applicant out of the retroactive supplemental security income payments, provided that nothing herein shall restrict the federal government from making direct payments to the State for such loan or loans, and provided further that the loan or loans shall be discharged and no repayment shall be required from an applicant whose application for

federal supplemental security income assistance has been disapproved;

- (f) The applicant shall not be eligible for general assistance under the provisions of Section 346-71, provided that he shall become eligible for such assistance upon disapproval of the application for federal supplemental security income assistance.

SECTION 3. This Act shall take effect upon approval.

(Approved May 29, 1974.)