

ACT 15

H.B. NO. 11-S

A Bill for an Act Relating to State Finances.

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

SECTION 1. Chapter 28, Hawaii Revised Statutes, is amended by adding a new section to part VI to be appropriately designated and to read as follows:

“§28- Medicaid investigations recovery fund; established. There is established in the state treasury the medicaid investigations recovery fund as a special fund, and which is to be administered by the department of the attorney general, into which shall be deposited all funds that have been recovered as a result of medicaid fraud settlements. Moneys from this special fund shall be used to

support a portion of operating expenses of the medicaid fraud unit within the department of the attorney general.”

SECTION 2. Chapter 37, Hawaii Revised Statutes, is amended by adding four new sections to read as follows:

“**§37- Prior year accounts.** The state comptroller shall establish new appropriation accounts for all funds other than general funds, general obligation bond funds, and all other capital improvement project funds on July 1 of each fiscal year. Unless otherwise provided by law, all unencumbered balances from accounts for all funds other than general funds, general obligation bond funds, and all other capital improvement project funds established in previous years shall be deposited in the appropriate account for the current fiscal year; provided that this section shall not apply to those funds which are designated by either the legislature or the director of finance for transfer to the general fund.

§37- Encumbrances, when void. (a) All encumbrances for claims which the director of finance has determined to be inactive shall become void six months from the date of the original encumbrance, or within a period of time less than six months as designated by the director of finance.

(b) All encumbrances for contracts shall become void after five years from the date of the original encumbrance; provided that the comptroller may grant an exemption from this subsection if the comptroller finds that there is sufficient justification to extend a contract encumbrance.

§37- Transfers of non-general funds to the general funds. (a) The director of finance shall submit written notification to the legislature within ten days of any transfer of non-general funds to the general fund.

(b) The director of finance shall prepare an annual report to be submitted to the legislature no later than twenty days prior to the convening of each regular session on such transfers for the preceding fiscal year.

§37- Reporting of non-general fund information. No later than twenty days prior to the convening of each regular session, each department shall submit to the legislature a report for each non-general fund account which shall include but not be limited to, the following:

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

SECTION 3. Section 36-31, Hawaii Revised Statutes, is amended to read as follows:

“§36-31 Transfers from special funds, limited or suspended, when. (a) If any transfer contemplated by sections 36-27, 36-29, and 36-30 might, if effected, result in loss to the State or to any special fund affected, of any federal funds, or would be in violation of the Constitution or any law of the United States, the governor shall issue an executive order setting forth the facts and suspending the application of sections 36-27, 36-29, and 36-30 to the special fund affected in whole or in part, or limiting the transfer, as shall be necessary to avoid the loss of federal funds or to avoid the unconstitutionality or violation. The transfer shall not be made except to the extent, if at all, which will not result in the loss of federal funds or violation.

(b) If any transfer contemplated by section 36-28 might, if effected, cause an expenditure out of the state highway fund in excess of moneys available in such fund, result in loss to the State or to the state highway fund or any federal funds, or would be in violation of the Constitution or any law of the United States, the governor shall issue an executive order setting forth the facts and suspending the application of section 36-28 to the state highway fund in whole or in part, or limiting the transfer, as shall be necessary to avoid the expenditure of moneys in excess of moneys available in the state highway fund, the loss of federal funds or to avoid the unconstitutionality or violation. The transfer shall not be made except to the extent, if at all, which will not result in the loss of federal funds or violation.

(c) Effective July 1, 1995, transfers for central services expenses shall be limited to the current fiscal year; provided that this subsection shall not apply to assessments made but not collected for prior years.”

SECTION 4. On July 1, 1995, the director of finance shall transfer the following sums to the general fund from the corresponding sources identified:

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| (1) Hawaii historic preservation special fund, section 6E-16, Hawaii Revised Statutes | \$ 300,000 |
| (2) State educational facilities improvement special fund, section 36-32, Hawaii Revised Statutes | \$4,400,000 |
| (3) In-service training programs and activities revolving fund, section 81-3, Hawaii Revised Statutes | \$ 241,544 |
| (4) Aloha stadium special fund, section 109-3, Hawaii Revised Statutes | \$1,900,000 |
| (5) Hawaii agricultural loan revolving fund, section 155-14, Hawaii Revised Statutes | \$3,000,000 |
| (6) Industrial park special fund, section 171-138, Hawaii Revised Statutes | \$7,000,000 |
| (7) Hawaii capital loan revolving fund, section 210-3, Hawaii Revised Statutes | \$1,200,000 |
| (8) Hawaii strategic development corporation revolving fund, section 211F-5, Hawaii Revised Statutes | \$3,000,000 |

SECTION 5. The legislature determines that there is in the dwelling unit revolving fund at least \$12,000,000 in excess of requirements of the fund. There is hereby authorized and appropriated from the retained earnings in the dwelling unit revolving fund created by section 201E-204, Hawaii Revised Statutes, the sum of \$12,000,000, for fiscal year 1995–1996 for deposit into the general fund; but only to the extent such retained earnings are not subject to or are in excess of any rebatable arbitrage that is owed to the U.S. Treasury resulting from the investment of moneys in the dwelling unit revolving fund which are general obligation bond proceeds.

SECTION 6. The legislature determines that there is in the homes revolving fund at least \$34,000,000 in excess of requirements of the fund. There is hereby authorized and appropriated from the retained earnings in the homes revolving fund created by section 201E-207, Hawaii Revised Statutes, the sum of \$34,000,000, for fiscal year 1995–1996 for deposit into the general fund.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000, or so much thereof as may be necessary for fiscal year 1995–1996, for legislative studies and for contractual services for those studies.

The sum appropriated shall be expended by the office of the legislative auditor.

SECTION 8. New statutory material is underscored.¹

SECTION 9. This Act shall take effect on July 1, 1995.

(Approved June 29, 1995.)

Note

1. Edited pursuant to HRS §23G-16.5.