

## ACT 101

H.B. NO. 2523

A Bill for an Act Relating to Passenger Facility Charges.

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

SECTION 1. Section 36-27, Hawaii Revised Statutes, is amended to read as follows:

**“§36-27 Transfers from special funds for central service expenses.** Except as provided in this section, and notwithstanding any other law to the contrary, from time to time, the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

- (1) Special out-of-school time instructional program fund under section 302A-1310;
- (2) School cafeteria special funds of the department of education;
- (3) Special funds of the University of Hawaii;
- (4) State educational facilities improvement special fund;
- (5) Convention center enterprise special fund under section 201B-8;
- (6) Special funds established by section 206E-6;
- (7) Housing loan program revenue bond special fund;
- (8) Housing project bond special fund;
- (9) Aloha Tower fund created by section 206J-17;
- (10) Funds of the employees' retirement system created by section 88-109;
- (11) Unemployment compensation fund established under section 383-121;
- (12) Hawaii hurricane relief fund established under chapter 431P;
- (13) Hawaii health systems corporation special funds;
- (14) Tourism special fund established under section 201B-11;
- (15) Universal service fund established under chapter 269;
- (16) Integrated tax information management systems special fund under section 231-3.2;
- (17) Emergency and budget reserve fund under section 328L-3;
- (18) Public schools special fees and charges fund under section 302A-1130(f);
- (19) Sport fish special fund under section 187A-9.5;

(20) Neurotrauma special fund under section 321H-4;  
 (21) Deposit beverage container deposit special fund under section 342G-104;  
 (22) Glass advance disposal fee special fund established by section 342G-82; [and]  
 (23) Center for nursing special fund under section 304D-5; and  
 (24) Passenger facility charge special fund established by section 261-5.5;  
 shall deduct five per cent of all receipts of all other special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year.”

SECTION 2. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

- “(a) Each special fund, except the:
- (1) Transportation use special fund established by section 261D-1;
  - (2) Special out-of-school time instructional program fund under section 302A-1310;
  - (3) School cafeteria special funds of the department of education;
  - (4) Special funds of the University of Hawaii;
  - (5) State educational facilities improvement special fund;
  - (6) Special funds established by section 206E-6;
  - (7) Aloha Tower fund created by section 206J-17;
  - (8) Funds of the employees’ retirement system created by section 88-109;
  - (9) Unemployment compensation fund established under section 383-121;
  - (10) Hawaii hurricane relief fund established under chapter 431P;
  - (11) Convention center enterprise special fund established under section 201B-8;
  - (12) Hawaii health systems corporation special funds;
  - (13) Tourism special fund established under section 201B-11;
  - (14) Universal service fund established under chapter 269;
  - (15) Integrated tax information management systems special fund under section 231-3.2;
  - (16) Emergency and budget reserve fund under section 328L-3;
  - (17) Public schools special fees and charges fund under section 302A-1130(f);
  - (18) Sport fish special fund under section 187A-9.5;
  - (19) Neurotrauma special fund under section 321H-4;
  - (20) Center for nursing special fund under section 304D-5; and
  - (21) Passenger facility charge [revenue] special fund established by section 261-5.5;

shall be responsible for its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned.”

SECTION 3. Section 103-8.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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“(a) There is created a works of art special fund, into which shall be transferred one per cent of all state fund appropriations for capital improvements designated for the construction cost element; provided that this transfer shall apply only to capital improvement appropriations that are designated for the construction or renovation of state buildings. The one per cent transfer requirement shall not apply to appropriations from the passenger facility charge ~~[revenue]~~ special fund established by section 261-5.5.”

SECTION 4. Section 261-5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Except for that portion of the payments received by the department under a contract entered into as authorized by section 261-7 and deposited in the transportation use special fund pursuant to section 261D-1, and except for all proceeds from the passenger facility charge and deposited in the passenger facility charge special fund, all moneys received by the department from rents, fees, and other charges collected pursuant to this chapter, as well as all aviation fuel taxes paid pursuant to section 243-4(a)(2), shall be paid into the airport revenue fund created by section 248-8.

All moneys paid into the airport revenue fund shall be appropriated, applied, or expended by the department for any purpose within the jurisdiction, powers, duties, and functions of the department related to the statewide system of airports, including, without limitation, the costs of operation, maintenance, and repair of the statewide system of airports and reserves therefor, and acquisitions (including real property and interests therein), constructions, additions, expansions, improvements, renewals, replacements, reconstruction, engineering, investigation, and planning for the statewide system of airports, all or any of which in the judgment of the department are necessary to the performance of its duties or functions. The department shall generate sufficient revenues from its airport properties to meet all of the expenditures of the statewide system of airports and to comply with section 39-61; provided that as long as sufficient revenues are generated to meet such expenditures, the director of transportation may, in the director's discretion, grant a rebate of the aviation fuel taxes paid into the airport revenue fund during a fiscal year pursuant to sections 243-4(a)(2) and 248-8 to any person who has paid airport use charges or landing fees during such fiscal year. Such rebate may be granted during the next succeeding fiscal year but shall not exceed one-half cent per gallon per person, and shall be computed on the total number of gallons for which the tax was paid by such person, for such fiscal year.”

SECTION 5. Section 261-5.5, Hawaii Revised Statutes, is amended to read as follows:

“~~[H]§261-5.5[H]~~ **Passenger facility charge ~~[revenue]~~ special fund**. (a) There is established in the state treasury the passenger facility charge ~~[revenue]~~ special fund, into which shall be deposited all proceeds from ~~[any]~~ the passenger facility charge.

(b) Moneys in the passenger facility charge ~~[revenue]~~ special fund shall be used for airport capital improvement program projects approved by the legislature.

~~[(e) The passenger facility charge revenue fund is exempted from section 36-30.~~

~~[(d) The passenger facility charge revenue fund is exempted from section 103-8.5.~~

~~[(e)]~~ (c) The director of transportation shall administer the passenger facility charge ~~[revenue]~~ special fund.”

**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.

(Approved June 3, 2004.)