

**ACT 41**

H.B. NO. 555

A Bill for an Act Making an Emergency Appropriation for Electricity Payments Statewide.

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

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. The purpose of this Act is to make an emergency appropriation to address a \$3,000,000 deficit in electricity payments for the department of accounting and general services managed facilities statewide. Since local utility companies are dependent upon oil as the primary source of fuel, the steady rise in world oil prices has directly contributed to this shortfall. For a twelve-month period from November 2003 to October 2004, oil prices increased 83 percent, from \$30 to \$55 per barrel, while kilo watt per hour consumption has remained flat. Based on a combination of actual bills paid and projected cost, the shortfall for the current fiscal year 2004-2005 is as follows: Oahu, \$2,091,428; Hawaii, \$210,821; Maui, \$246,952; and Kauai \$450,799. Without an emergency appropriation, the program will be unable to pay a portion of its March 2005 electricity bill, and must defer payment on all of its April, May, and June bills. In addition, failure to pay utility companies on a timely basis will result in late payment fees and negatively impact cash flow of these companies.

**SECTION 3.** There is appropriated out of the state general fund the sum of \$3,000,000 or so much thereof as may be necessary, for fiscal year 2004-2005 for the purpose of paying electricity bills. The sum appropriated shall be expended by the department of accounting and general services for the purpose of this Act.

**SECTION 4.** This Act shall take effect upon its approval.

(Approved May 3, 2005.)