

ACT 192

H.B. NO. 2542

A Bill for an Act Relating to Non-General Funds.

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

PART I

SECTION 1. The severe recession of 2008 swept across the nation and many parts of the world with unanticipated force and brought with it enormous challenges for governments at all levels. Its effects on businesses and employment are still being felt today, including a profound impact on Hawaii in terms of tax revenues and the state budget.

The legislature finds that due to the extraordinary fiscal circumstances the State is facing, non-general funds must be reviewed and scrutinized to determine if there are excess balances available to help address the critical budget shortfall in fiscal year 2010-2011.

The purpose of this Act is to help address the fiscal year 2010-2011 budget shortfall by transferring excess balances from various non-general funds into the State's general fund.

SECTION 2. The legislature determines that there is in the agricultural loan reserve fund at least \$1,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the agricultural loan reserve fund to the general fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 3. The legislature determines that there is in the state motor pool revolving fund at least \$1,500,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the state motor pool revolving fund to the general fund the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 4. The legislature determines that there is in the state risk management revolving fund at least \$2,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the state risk management revolving fund to the general fund the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 5. The legislature determines that there is in the stadium special fund at least \$2,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the stadium special fund to the general fund the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 6. The legislature determines that there is in the medicaid investigations recovery fund at least \$1,500,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the medicaid investigations recovery fund to the general fund the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 7. The legislature determines that there is in the Hawaii community development revolving fund, at least \$1,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the Hawaii community development revolving fund to the

general fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 8. The legislature determines that there is in the convention center enterprise special fund at least \$2,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the convention center enterprise special fund to the general fund the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 9. The legislature determines that there is in the foreign trade zones special fund at least \$300,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the foreign trade zones special fund to the general fund the sum of \$300,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 10. The legislature determines that there is in the compliance resolution fund – business registration fund account at least \$1,500,000 in excess of the requirements of the fund account. On July 1, 2010, the director of finance is authorized to transfer from the compliance resolution fund – business registration fund account to the general fund the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 11. The legislature determines that there is in the department of commerce and consumer affairs special drivers education fund account at least \$1,400,000 in excess of the requirements of the fund account. On July 1, 2010, the director of finance is authorized to transfer from the special drivers education fund account to the general fund the sum of \$1,400,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 12. The legislature determines that there is in the loss mitigation grant fund at least \$3,200,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the loss mitigation grant fund to the general fund the sum of \$3,200,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 13. The legislature determines that there is in the department of education drivers education fund account at least \$1,000,000 in excess of the requirements of the fund account. On July 1, 2010, the director of finance is authorized to transfer from the drivers education fund account to the general fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 14. The legislature determines that there is in the deposit beverage container deposit special fund at least \$1,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the deposit beverage container deposit special fund to the general fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 15. The legislature determines that there is in the Hawaii tobacco settlement special fund at least \$7,200,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the Hawaii tobacco settlement special fund to the general fund the sum of \$7,200,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 16. The legislature determines that there is in the neurotrauma special fund at least \$1,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the neurotrauma special fund to the general fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 17. The legislature finds that there is in the special fund for disability benefits over \$7,000,000 attributable to compound interest and penalties that have been collected by the fund since its inception. The legislature determines that there is in the special fund for disability benefits at least \$7,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the special fund for disability benefits to the general fund the sum of \$7,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 18. The legislature determines that there is in the land conservation fund at least \$1,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the land conservation fund to the general fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 19. The legislature determines that there is in the natural area reserve fund at least \$500,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the natural area reserve fund to the general fund the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 20. The legislature determines that there is in the federal reimbursement maximization special fund at least \$500,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the federal reimbursement maximization special fund to the general fund the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 21. The legislature determines that there is in the University of Hawaii housing assistance revolving fund at least \$2,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the University of Hawaii housing assistance revolving fund to the general fund the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 22. The legislature determines that there is in the university revenue-undertakings fund at least \$2,500,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the university revenue-undertakings fund to the general fund the sum of \$2,500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 23. The legislature determines that there is in the University of Hawaii research and training revolving fund at least \$400,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the University of Hawaii research and training revolving fund to the general fund the sum of \$400,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 24. The legislature determines that there is in the judiciary computer system special fund at least \$2,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the judiciary computer system special fund to the general fund the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 25. The legislature determines that there is in the driver education and training fund, under the judiciary, at least \$1,500,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the driver education and training fund to the general fund the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 26. The legislature determines that there is in the disaster loan revolving fund at least \$1,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of finance is authorized to transfer from the disaster loan revolving fund to the general fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2010-2011.

PART II

SECTION 27. Section 235-110.6, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The tax credit claimed under this section by the principal operator shall be deductible from the principal operator’s individual or corporate income tax liability, if any, for the tax year in which the credit is properly claimed; provided that a husband and wife filing separate returns for a taxable year for which a joint return could have been made by them shall claim only the tax credit to which they would have been entitled had a joint return been filed. If the tax credit claimed by the principal operator under this section exceeds the amount of the income tax payments due from the principal operator, the excess of credit over payments due shall be refunded to the principal operator[.] from the state highway fund; provided that the tax credit properly claimed by a principal operator who has no income tax liability shall be paid to the principal operator[.] from the state highway fund; and provided further no refunds or payments on account of the tax credit allowed by this section shall be made for amounts less than \$1.”

PART III

SECTION 28. Section 245-15, Hawaii Revised Statutes, is amended to read as follows:

“**§245-15 Disposition of revenues.** All moneys collected pursuant to this chapter shall be paid into the state treasury as state realizations to be kept and accounted for as provided by law; provided that, of the moneys collected under the tax imposed pursuant to:

- (1) Section 245-3(a)(5), after September 30, 2006, and prior to October 1, 2007, 1.0 cent per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
- (2) Section 245-3(a)(6), after September 30, 2007, and prior to October 1, 2008:

- (A) 1.5 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
 - (B) 0.25 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5; and
 - (C) 0.25 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234;
- (3) Section 245-3(a)(7), after September 30, 2008, and prior to July 1, 2009:
- (A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
 - (B) 0.5 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;
 - (C) 0.25 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and
 - (D) 0.25 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234;
- (4) Section 245-3(a)(8), after June 30, 2009, and prior to July 1, ~~2010;~~ 2013;
- (A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
 - (B) 0.75 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;
 - (C) 0.75 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and
 - (D) 0.5 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234; and
- ~~(5) Section 245-3(a)(10), after June 30, 2010, and prior to July 1, 2011:~~
- ~~(A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;~~
 - ~~(B) 1.0 cent per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;~~
 - ~~(C) 1.0 cent per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and~~
 - ~~(D) 1.0 cent per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234; and~~

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- (6) (5) Section 245-3(a)(11), after June 30, [~~2011,~~] 2013, and thereafter:
- (A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;
 - (B) 1.5 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;
 - (C) 1.25 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and
 - (D) 1.25 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234.

The department shall provide an annual accounting of these dispositions to the legislature.”

SECTION 29. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 30. This Act shall take effect on July 1, 2010.

(Became law on July 6, 2010, without the governor's signature, pursuant to Art. III, §16, State Constitution.)