

ACT 124

S.B. NO. 120

A Bill for an Act Relating to State Funds.

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

**PART I
Expired Funds**

SECTION 1. The legislature finds that certain funds, established by statutes that have long been repealed, are effectively non-functional. The legislature further finds that since the statutory purposes for which these funds were established have been repealed, these funds have outlived their usefulness to the State. Finally, the legislature finds that the moneys currently languishing in these funds will serve the State more effectively if they are deposited into the general fund and, therefore, become accessible to the State.

The purpose of this part is to terminate certain funds for which the statutory authority has expired and to deposit the residual amounts left in each fund into the general fund.

SECTION 2. On July 1, 2011:

- (1) All moneys in the travel agency recovery fund and the travel agency education fund, as of June 30, 2011, shall be transferred to the general fund of the State of Hawaii; and
- (2) The travel agency recovery fund and the travel agency education fund shall cease to exist.

PART II
University of Hawaii

SECTION 3. Section 304A-116, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The provision of child care services may be supported with proceeds from the child care programs [revolving] special fund established under section ~~[[304A-2252]]~~, public funds, and private grants and gifts to pay for the expenses of operation, including payment of principal and interest on any obligations incurred.”

SECTION 4. Section 304A-2252, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-2252]]~~ **Child care programs [revolving] special fund.** There is established a child care programs [revolving] special fund for the operation of child care programs established under section 304A-116 and the construction and renovation of child care centers established by the University of Hawaii. Fees charged for child care at child care programs, proceeds from donations to the university for child care programs, and proceeds from loans or other instruments of indebtedness for the construction or renovation of child care centers shall be deposited into the [revolving] special fund. Expenditures from the ~~[revolving] special fund~~ shall be made for the operation of child care programs and payment of principal and interest on obligations incurred for the construction or renovation of child care centers.”

SECTION 5. Section 304A-2253, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) There is established a University of Hawaii research and training revolving fund into which shall be deposited one hundred per cent of the total amount of indirect overhead revenues generated by the university from research and training programs. The board of regents is authorized to expend one hundred per cent of the revenues deposited in the fund for:

- (1) Research and training purposes that may result in additional research and training grants and contracts;
- (2) Facilitating research and training at the university; and
- (3) Further deposit into the discoveries and inventions [revolving] special fund ~~[and the University of Hawaii housing assistance revolving fund].”~~

2. By amending subsection (c) to read:

“(c) Notwithstanding sections 304A-107[,], and ~~[[304A-2254]]~~, ~~and [304A-2258]]~~ to the contrary, the board of regents or its designee, may establish a

separate account within the research and training revolving fund for the purpose of providing advance funding to meet reimbursable costs incurred in connection with federally financed research and training projects. Any reimbursement received as a result of providing advance funding shall be deposited into the research and training revolving fund to be used for the purpose of meeting reimbursable costs incurred in connection with federally financed projects.”

SECTION 6. Section 304A-2254, Hawaii Revised Statutes, is amended to read as follows:

“[§304A-2254] Discoveries and inventions [revolving] special fund. There is established a discoveries and inventions [revolving] special fund into which shall be deposited a portion of the total indirect overhead funds generated by the university for research and training purposes in the prior fiscal year, as determined by the board of regents. Appropriations by the legislature subject to the approval of the governor, proceeds from the commercial exploitation of inventions and intellectual property developed at the university, gifts, donations, fees collected, and grants from public agencies and private persons may also be deposited into the special fund for the purposes of supporting innovation and research commercialization and the patenting, copyrighting, licensing, and marketing of discoveries, inventions, and technologies developed at the university. The special fund shall be used to develop technologies that have potential commercial value, support the administration of technology transfer activities, and facilitate economic development through education and research undertaken at the university.”

SECTION 7. Section 304A-2259, Hawaii Revised Statutes, is amended to read as follows:

“[§304A-2259] University of Hawaii alumni [revolving] special fund. There is established the University of Hawaii alumni [revolving] special fund into which shall be deposited funds and proceeds received by the university from alumni activities and donations from alumni. Funds deposited into this [revolving] special fund may be expended by the university for all costs associated with conducting alumni affairs, activities, and programs for the university system, including but not limited to expenses for honoraria, hotel and room rentals, food and refreshment, printing and mailing, banners and signs, plaques and awards, airfare and per diem, leis, rental of audiovisual, musical, and stage equipment, and activity supplies and materials, without regard to statutory competitive bidding requirements.”

SECTION 8. Section 304A-2261, Hawaii Revised Statutes, is amended to read as follows:

“[§304A-2261] University of Hawaii at Manoa intercollegiate athletics [revolving] special fund and University of Hawaii at Hilo intercollegiate athletics [revolving] special fund. Notwithstanding any other law to the contrary, there are established the University of Hawaii at Manoa intercollegiate athletics [revolving] special fund and the University of Hawaii at Hilo intercollegiate athletics [revolving] special fund for the intercollegiate athletic programs of the University of Hawaii at Manoa and the University of Hawaii at Hilo, which shall be used to receive, deposit, disburse, and account for funds from the activities of the intercollegiate athletic programs. The university may establish appropriate charges for activities related to its athletic programs and the use of its athletic

facilities, the proceeds from which shall be deposited into these ~~[revolving]~~ special funds.

The university shall maintain the financial integrity and viability of these ~~[revolving]~~ special funds, including the maintenance of an adequate reserve to cope with the various factors that impact the revenue structure of an intercollegiate athletic program.”

SECTION 9. Section 304A-2262, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-2262]]~~ Animal research farm, Waialeale, Oahu ~~[revolving]~~ special fund. There is established the animal research farm, Waialeale, Oahu ~~[revolving]~~ special fund for the animal research farm, Waialeale, Oahu, operated by the college of tropical agriculture and human resources of the University of Hawaii, into which shall be deposited the receipts from fees realized from the sale of livestock, services, and supplies. Funds deposited into this ~~[revolving]~~ special fund shall be expended for animal research, and services and supplies related thereto.”

SECTION 10. Section 304A-2271, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-2271]]~~ University of Hawaii-Hilo theatre ~~[revolving]~~ special fund. There is established the University of Hawaii-Hilo theatre ~~[revolving]~~ special fund, which shall consist of admissions, advertising sales, corporate sponsorships, marketing, merchandising, donations, fund-raising, fees, charges, and other moneys collected in conjunction with the University of Hawaii-Hilo theatre program. The ~~[revolving]~~ special fund shall be administered by the office of administrative affairs of the University of Hawaii at Hilo. Funds may be expended for all costs associated with the theatre program, including artists’ fees, production costs, personnel costs, honoraria, per diem, hotel and room rentals, food and refreshments, printing and mailing, advertising, airfare, leis, rental or purchase of equipment, and theater supplies and materials.”

SECTION 11. Section 304A-2158, Hawaii Revised Statutes, is repealed.

SECTION 12. Section 304A-2258, Hawaii Revised Statutes, is repealed.

SECTION 13. Section 304A-2264, Hawaii Revised Statutes, is repealed.

SECTION 14. Section 304A-2265, Hawaii Revised Statutes, is repealed.

SECTION 15. Section 304A-2266, Hawaii Revised Statutes, is repealed.

SECTION 16. Section 304A-2269, Hawaii Revised Statutes, is repealed.

SECTION 17. All fund balances remaining unencumbered and unexpended as of June 30, 2011, in the University of Hawaii at Manoa conference center revolving fund shall be transferred to the general fund.

SECTION 18. All fund balances remaining unencumbered and unexpended as of June 30, 2011, in the University of Hawaii housing assistance revolving fund shall be transferred to the credit of the Manoa faculty housing program under the University of Hawaii auxiliary enterprises special fund established under section 304A-2157, Hawaii Revised Statutes.

SECTION 19. The conversion of revolving funds to special funds pursuant to sections 4, 6, 7, 8, 9, and 10 of this Act shall in no way be construed as an authorization to remove, alter, or amend any moneys from any revolving fund other than for the purposes of this Act and for the allowable uses under relevant law.

PART III Fund Transfers

SECTION 20. The 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 is an excess of balances available to help address the critical budget shortfall in fiscal year 2011-2012.

The purpose of this part is to help address the fiscal year 2011-2012 budget shortfall by transferring excess balances from various non-general funds into the State's general fund.

SECTION 21. The legislature determines that there is in the state risk management revolving fund at least \$1,000,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the state risk management 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 22. The legislature determines that there is in the medicaid investigations recovery fund at least \$500,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the state medicaid investigations recovery fund to the general fund the sum of \$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 compliance resolution fund at least \$4,200,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the compliance resolution fund to the general fund the sum of \$4,200,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 24. The legislature determines that there is in the mental health and substance abuse special fund at least \$2,000,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the mental health and substance abuse 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 drug demand reduction assessments special fund at least \$700,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the drug demand reduction assessments special fund to the general fund the sum of \$700,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 26. The legislature determines that there is in the neurotrauma special fund at least \$250,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the neurotrauma special fund to the general fund the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 27. The legislature determines that there is in the environmental management special fund at least \$750,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the environmental management special fund to the general fund the sum of \$750,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 28. The legislature determines that there is in the deposit beverage container deposit special fund at least \$300,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the deposit beverage container deposit 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 29. The legislature determines that there is in the employment and training fund at least \$44,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the employment and training fund to the general fund the sum of \$44,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 30. The legislature determines that there is in the Waialua loan subsidy program balance, contained in the rental assistance revolving fund, at least \$1,174 in excess of the requirements of the program. Until June 30, 2011, the director of finance is authorized to transfer from the Waialua loan subsidy program balance to the general fund the sum of \$1,174 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 31. The legislature determines that there is in the UH faculty housing project series 1995 bond proceed special fund at least \$520,780 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the UH faculty housing project series 1995 bond proceed special fund to the general fund the sum of \$520,780 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 32. The legislature determines that there is in the stadium special fund at least \$500,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the stadium 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 33. The legislature determines that there is in the Kikala-Keokea housing revolving fund at least \$428,924 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the Kikala-Keokea housing revolving fund to the general fund the sum of \$428,924 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 34. The legislature determines that there is in the community use of school facilities special fund at least \$1,000,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to

transfer from the community use of school facilities 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 35. The legislature determines that there is in the federal grants search, development, and application revolving fund at least \$500,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the federal grants search, development, and application revolving fund to the general fund the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2010-2011.

SECTION 36. The legislature determines that there is in the trauma system special fund at least \$1,000,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the trauma system 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 37. The legislature determines that there is in the captive insurance administrative fund at least \$2,500,000 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the captive insurance administrative 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 38. The legislature determines that there is in the health care revolving fund at least \$916,284 in excess of the requirements of the fund. Until June 30, 2011, the director of finance is authorized to transfer from the health care revolving fund to the general fund the sum of \$916,284 or so much thereof as may be necessary for fiscal year 2010-2011.

PART IV

Conforming Amendments

SECTION 39. Section 28-8.3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) No department of the State other than the attorney general may employ or retain any attorney, by contract or otherwise, for the purpose of representing the State or the department in any litigation, rendering legal counsel to the department, or drafting legal documents for the department; provided that the foregoing provision shall not apply to the employment or retention of attorneys:

- (1) By the public utilities commission, the labor and industrial relations appeals board, and the Hawaii labor relations board;
- (2) By any court or judicial or legislative office of the State; provided that if the attorney general is requested to provide representation to a court or judicial office by the chief justice or the chief justice's designee, or to a legislative office by the speaker of the house of representatives and the president of the senate jointly, and the attorney general declines to provide such representation on the grounds of conflict of interest, the attorney general shall retain an attorney for the court, judicial, or legislative office, subject to approval by the court, judicial, or legislative office;
- (3) By the legislative reference bureau;
- (4) By any compilation commission that may be constituted from time to time;

- (5) By the real estate commission for any action involving the real estate recovery fund;
- (6) By the contractors license board for any action involving the contractors recovery fund;
- ~~[(7) By the trustees for any action involving the travel agency recovery fund;~~
- ~~(8)~~ (7) By the office of Hawaiian affairs;
- ~~[(9)]~~ (8) By the department of commerce and consumer affairs for the enforcement of violations of chapters 480 and 485A;
- ~~[(10)]~~ (9) As grand jury counsel;
- ~~[(11)]~~ (10) By the Hawaiian home lands trust individual claims review panel;
- ~~[(12)]~~ (11) By the Hawaii health systems corporation, or its regional system boards, or any of their facilities;
- ~~[(13)]~~ (12) By the auditor;
- ~~[(14)]~~ (13) By the office of ombudsman;
- ~~[(15)]~~ (14) By the insurance division;
- ~~[(16)]~~ (15) By the University of Hawaii;
- ~~[(17)]~~ (16) By the Kahoolawe island reserve commission;
- ~~[(18)]~~ (17) By the division of consumer advocacy;
- ~~[(19)]~~ (18) By the office of elections;
- ~~[(20)]~~ (19) By the campaign spending commission;
- ~~[(21)]~~ (20) By the Hawaii tourism authority, as provided in section 201B-2.5;
- ~~[(22)]~~ (21) By the division of financial institutions for any action involving the mortgage loan recovery fund; or
- ~~[(23)]~~ (22) By a department, in the event the attorney general, for reasons deemed by the attorney general to be good and sufficient, declines to employ or retain an attorney for a department; provided that the governor ~~[thereupon]~~ waives the provision of this section."

SECTION 40. Section 167-19, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) All or any portion of the acreage assessments collected under this chapter, as determined by the board, exclusive of acreage assessments imposed on lands within an irrigation project financed through the issuance of revenue bonds, shall be deposited into the irrigation system revolving fund. Acreage assessments imposed on lands within an irrigation project financed through the issuance of revenue bonds shall be deposited into the ~~[irrigation water development special fund.] general fund.~~"

SECTION 41. Section 167-22, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established the irrigation system revolving fund, into which shall be deposited:

- (1) All legislative appropriations to the irrigation system revolving fund; and
- (2) All or any portion of the receipts and revenues collected under this chapter, as determined by the board of agriculture~~[, exclusive of the receipts and revenues deposited into the irrigation water development special fund].~~"

SECTION 42. Section 321-355, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The fund shall consist of grants and income earned by the special fund. ~~[Notwithstanding section 29-24, all]~~ All program income consisting of federal reimbursement funds received by the State for early intervention funded by legislative appropriations under this part shall be deposited into the special fund; provided that no state appropriations shall be deposited into the special fund.”

SECTION 43. Section 321-356, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The trust fund shall consist of government grants and private contributions including but not limited to gifts or donations from corporations or other businesses, foundations, individuals, and other interested parties, and income earned by the trust fund. ~~[Notwithstanding section 29-24, all]~~ All program income consisting of federal reimbursement funds received by the State for early intervention funded by private donations and contributions under this part shall be deposited into the trust fund.”

SECTION 44. Section 346-311, Hawaii Revised Statutes, is amended by amending the definition of “secondary discounted price” to read as follows:

““Secondary discounted price” as it pertains to a drug means the initial discounted price less any further discounts ~~[paid out of the Rx plus special fund].~~”

SECTION 45. Section 346-344, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) For persons meeting the eligibility requirements in section 346-343, the state pharmacy assistance program may pay all or some of the co-payments required under the federal medicare part D pharmacy benefit program, ~~[subject to the sufficiency of funds in the state pharmacy assistance program special fund,]~~ as determined by the department.

(b) The state pharmacy assistance program is the payor of last resort ~~[subject to the sufficiency of funds in the state pharmacy assistance program special fund],~~ as determined by the department.”

SECTION 46. Section 431:22-103, Hawaii Revised Statutes, is amended to read as follows:

“[§431:22-103]] Establishment of loss mitigation grant program. The commissioner shall develop and implement a pilot grant program to encourage the installation of wind resistive devices. The commissioner may spend up to \$6,000,000 ~~[from the loss mitigation grant fund]~~ over three years for the grant program, which amounts shall include the costs of administering, operating, and marketing the grant program.

For the first year of the grant program, the commissioner may make grants only to former policyholders of the Hawaii hurricane relief fund. From the second year onward, the commissioner may also make grants to all single or multi-family residential owners, which may include owners of townhouse units or condominium apartments under section 431:22-104(c)(3).”

SECTION 47. Section 431P-16, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

“(i) Moneys in the hurricane reserve trust fund may be[:

(1) ~~Disbursed]~~ disbursed upon dissolution of the Hawaii hurricane relief fund; provided that:

- ~~[(A)]~~ (1) The net moneys in the hurricane reserve trust fund shall revert to the state general fund after payments by the fund on behalf of licensed property and casualty insurers or the State that are required to be made pursuant to any federal disaster insurance program enacted to provide insurance or reinsurance for hurricane risks are completed; and
- ~~[(B)]~~ (2) If such moneys are paid on behalf of licensed property and casualty insurers, payment shall be made in proportion to the premiums from policies of hurricane property insurance serviced by the insurers in the twelve months prior to dissolution of the fund; ~~[or~~
- (2) ~~Deposited to the loss mitigation grant fund established under section 431:22-102;~~

provided that all interest earned from the principal in the hurricane reserve trust fund shall be transferred and deposited into the general fund each year that the hurricane reserve trust fund remains in existence.”

SECTION 48. Section 431P-16.5, Hawaii Revised Statutes, is amended to read as follows:

~~“[§431P-16.5]—Transfer of funds; immunity.]~~ **Immunity.** There shall be no cause of action, claim for damages or relief, charge, or any other liability of any kind whatsoever created against the State, the Hawaii hurricane relief fund, the commissioner, or their respective agents, employees, or board, by, or relating to~~;~~ ~~the transfer of any moneys from the hurricane reserve trust fund to the loss mitigation grant fund or from the loss mitigation grant fund to the hurricane reserve trust fund or involving~~ the loss mitigation grant program.”

PART V Other Repealed Funds

SECTION 49. Section 29-24, Hawaii Revised Statutes, is repealed.

SECTION 50. Section 167-22.5, Hawaii Revised Statutes, is repealed.

SECTION 51. Section 167-24, Hawaii Revised Statutes, is repealed.

SECTION 52. Section 346-318, Hawaii Revised Statutes, is repealed.

SECTION 53. Section 346-345, Hawaii Revised Statutes, is repealed.

SECTION 54. Section 346C-5, Hawaii Revised Statutes, is repealed.

SECTION 55. Section 431:22-102, Hawaii Revised Statutes, is repealed.

SECTION 56. Part XIII of chapter 346, Hawaii Revised Statutes, is repealed.

SECTION 57. Part XV of chapter 346, Hawaii Revised Statutes, is repealed.

PART VI

Master Settlement Agreement Money

SECTION 58. The legislature supports tobacco prevention and cessation. At the same time, due to economic difficulties, the State must ensure that core services such as medicaid, state hospitals, and other core programs addressing the health care needs of the State are adequately funded to meet the needs of the public.

SECTION 59. Section 328L-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The fund shall be used for the purpose of receiving, allocating, and appropriating the tobacco settlement moneys as follows:

- (1) Fifteen per cent shall be appropriated into the emergency and budget reserve fund under section 328L-3; provided that for fiscal years 2012 and 2013, this percentage shall be deposited into the general fund;
- (2) Twenty-five per cent shall be appropriated to the department for purposes of section 328L-4;
- (3) Six and one-half per cent shall be appropriated into the Hawaii tobacco prevention and control trust fund under section 328L-5; provided that for fiscal years 2012 and 2013, this percentage shall be deposited into the general fund; and
- (4) Twenty-eight per cent shall be appropriated into the university revenue-undertakings fund created in section 304A-2167.5 to be applied to the payment of the principal of and interest on, and to generate required coverage, if any, for¹ revenue bonds issued by the board of regents of the University of Hawaii to finance the cost of construction of a university health and wellness center, including a new medical school facility, to be situated on the island of Oahu, for the succeeding fiscal year; and the payment of annual operating expenses incurred by the new medical school facility; provided that any moneys in excess of the amounts required under this paragraph shall be transferred in the succeeding fiscal year to the emergency and budget reserve fund under section 328L-3; and
- (5) Twenty-five and one-half per cent shall be deposited to the credit of the state general fund.”

SECTION 60. The director of health, with the assistance of the director of finance, shall conduct a study of the Hawaii tobacco prevention and control trust fund to determine whether:

- (1) The moneys that actually have been disbursed from the Hawaii tobacco prevention and control trust fund were:
 - (A) Used in the manner in which the Hawaii tobacco prevention and control trust fund was intended under section 328L-5, Hawaii Revised Statutes; and
 - (B) Disbursed in sufficient amount to adequately fulfill the purposes intended under section 328L-5, Hawaii Revised Statutes; and
- (2) The current level of moneys deposited to the Hawaii tobacco prevention and control trust fund is sufficient to fulfill the purposes for which the Hawaii tobacco prevention and control trust fund was established under section 328L-5, Hawaii Revised Statutes.

The director of health shall submit a report of findings and recommendations, including any proposed legislation, to the legislature not later than twenty days prior to the convening of the regular session of 2012.

PART VII General Provisions

SECTION 61. (a) By July 1, 2011, the director of finance shall transfer any unencumbered balances remaining, as of June 30, 2011, in the special funds that are repealed in part V of this Act to the credit of the general fund.

(b) The director of finance shall identify any special funds that are repealed in parts II and V of this Act that contain or receive deposits from any federal funding source and is authorized to transfer the portions of those balances consisting of federal funds into corresponding separate special accounts within the general fund to enable the continuation of the purposes funded by the federal funding sources.

SECTION 62. It is the intent of this Act not to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof to the holders of any bond issued by the State or by any such agency, and to the extent, and only to the extent, necessary to effectuate this intent, the governor may modify the strict provisions of this Act, but shall promptly report any such modification with reasons therefor to the legislature at its next session thereafter for review by the legislature.

SECTION 63. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 64. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act, which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 65. Statutory material to be repealed is bracketed and stricken.² New statutory material is underscored.

SECTION 66. This Act shall take effect upon its approval.

(Approved June 15, 2011.)

Note

1. Prior to amendment “,” appeared here.
2. Edited pursuant to HRS §23G-16.5.