

ACT 132

H.B. NO. 2188

A Bill for an Act Relating to State Funds.

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

SECTION 1. The legislature finds that certain funds and programs are effectively non-functional, having fulfilled their intended purpose. The legislature further finds that any moneys still remaining in these funds or programs would serve the State more effectively if they were deposited into an active fund or to the credit of the general fund.

In 1995, the legislature created the Waialua loan and subsidy program to assist former employees and retirees displaced by the closure of Waialua Sugar Company. However, as noted in the 2012 state auditor's report entitled, "Study of the Transfer of Non-general Funds to the General Fund," the program "is no longer active and there is only one outstanding loan...[accordingly], it is no longer serving the purpose for which it was created." Similarly, in 2001, the Kikala-Keokea infrastructure development fund was created to provide low-interest home construction loans for Kikala-Keokea leaseholders who had been denied loans from traditional financial institutions. However, according to a 2012 state auditor's report, the "fund is no longer active and there are no outstanding

loans...the project is projected to have no revenues, no expenses, and no balance for FY2012...[accordingly] it is no longer serving the purpose for which it was created.”

The purpose of this Act is to terminate the Waialua loan and subsidy program, the Kikala-Keokea infrastructure development fund, and the Kikala-Keokea housing revolving fund, and to deposit any residual amounts left in either the program or funds into the rental assistance revolving fund or the general fund.

SECTION 2. Section 201H-211, Hawaii Revised Statutes, is amended to read as follows:

“~~§201H-211~~ **Expenditures of revolving funds under the corporation exempt from appropriation and allotment.** Except as to administrative expenditures, and except as otherwise provided by law, expenditures from the revolving funds administered by the corporation under subparts I and J of part III, relating to financing programs, or sections 201H-80, ~~[201H-81,]~~ 201H-123, or 516-44 may be made by the corporation without appropriation or allotment by the legislature; provided that no expenditure shall be made from and no obligation shall be incurred against any revolving fund in excess of the amount standing to the credit of the fund or for any purpose for which the fund may not lawfully be expended. Nothing in sections 37-31 to 37-41 shall require the proceeds of the revolving funds identified in subparts I and J of part III, or sections 201H-80, ~~[201H-81,]~~ 201H-123, or 516-44 to be reappropriated annually.”

SECTION 3. Section 171-19.5, Hawaii Revised Statutes, is repealed.

SECTION 4. Section 201H-81, Hawaii Revised Statutes, is repealed.

SECTION 5. Act 30, Special Session Laws of Hawaii 1995, is repealed.

SECTION 6. Act 31, Special Session Laws of Hawaii 1995, is repealed.

SECTION 7. (a) By July 1, 2014, the director of finance shall transfer any unencumbered balances remaining, as of June 30, 2014, in the infrastructure development fund established by section 171-19.5, Hawaii Revised Statutes, and the Kikala-Keokea housing revolving fund, established by section 201H-81, Hawaii Revised Statutes, to the credit of the general fund. Additionally, any future revenues scheduled to be paid into the infrastructure development fund or Kikala-Keokea housing revolving fund shall be paid to the credit of the general fund.

(b) By July 1, 2014, the director of finance shall transfer any unencumbered balances remaining, as of June 30, 2014, in the grant and loan programs established by Acts 30 and 31, Special Session Laws of Hawaii 1995, to the credit of the rental assistance revolving fund. Additionally, any future revenues scheduled to be paid into the grant and loan programs established by Acts 30 and 31, Special Session Laws of Hawaii 1995, shall be paid to the credit of the rental assistance revolving fund.

SECTION 8. This Act shall not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 9. Statutory material to be repealed is bracketed and stricken.¹

SECTION 10. This Act shall take effect upon its approval.

(Approved June 24, 2014.)

Note

1. Edited pursuant to HRS §23G-16.5.