

ACT 202

S.B. NO. 1312

A Bill for an Act Relating to State Funds.

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

SECTION 1. The purpose of this Act is to address state funds.

The legislature finds that article VII, section 6, of the Constitution of the State of Hawaii, when certain conditions occur, requires the legislature to provide a tax refund or tax credit to state taxpayers or make a deposit into one or more funds, as provided by law, to serve as a reserve for the State. The conditions are that the state general fund balances at the end of two successive fiscal years exceed five per cent of the state general revenues for those fiscal years.

The legislature finds that the state general fund balances at the end of fiscal years 2012-2013 and 2013-2014 exceeded five per cent of the state general revenues for those fiscal years. However, the legislature finds that, during the regular session of 2015, the legislature is required to provide a tax refund or credit and cannot, pursuant to section 328L-3(a)(3), Hawaii Revised Statutes, make a deposit into a reserve fund.

The legislature finds that the best course of action during the regular session of 2015 is to make a deposit into the emergency and budget reserve fund instead of providing a tax refund or credit. The legislature finds it preferable to increase the reserve fund at present to address possible emergencies and contingencies that may occur in the future when state revenues slow down.

SECTION 2. Notwithstanding any law to the contrary, for fiscal year 2014-2015, the director of finance shall transfer to the emergency and budget reserve fund the total sum of the tax credit or tax refund as determined by the legislature pursuant to the provisions of article VII, section 6, of the Hawaii Constitution.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 to be deposited into the emergency and budget reserve fund by the director of finance.

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

(Approved July 2, 2015.)