

JAN 25 2006

S.B. NO. 2540

A BILL FOR AN ACT

RELATING TO STATE HIGHWAY FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Under current law, section 248-9, Hawaii
2 Revised Statutes, the state highway fund can be used only for
3 state roads. The legislature finds that the counties need
4 financial assistance from the State to assist in the maintenance
5 of county roads, and ancillary county transportation programs
6 such as handivans, busses, and pothole repairs.

7 Road maintenance and repair is expensive, and the State and
8 the counties must address their current transportation
9 challenges with a multi-faceted approach. Allowing monies in
10 the state highway fund to be used by the counties is the
11 quintessential example of a state and county partnership to
12 improve public transportation.

13 The purpose of this Act is to authorize the expenditure of
14 state highway funds for use by the counties.

15 SECTION 2. Section 248-9, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§248-9 State highway fund.** (a) Moneys in the state
18 highway fund may be expended for the following purposes:



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- 1 (1) To pay the costs of operation, maintenance, and repair
2 of the state highway system, including without
3 limitation, the cost of equipment and general
4 administrative overhead;
- 5 (2) To pay the costs of acquisition (including real
6 property and interests therein), planning, designing,
7 construction and reconstruction of the state highway
8 system, and bikeways, including, without limitation,
9 the cost of equipment and general administrative
10 overhead; ~~and~~
- 11 (3) To reimburse the general fund for interest on and
12 principal of general obligation bonds issued to
13 finance highway projects where the bonds are
14 designated to be reimbursable out of the state highway
15 fund~~[-]~~; and
- 16 (4) To pay the costs of operation, maintenance, and repair
17 of county roads, and to fund county ancillary
18 transportation programs; provided that funds under
19 this paragraph shall not be used to supplant county
20 highway funds; and provided further that none of the
21 funds expended on a county road or program shall be
22 federal funds when that expenditure would cause a



1 violation of federal law or a federal grant agreement.
2 For purposes of this paragraph, "ancillary
3 transportation programs" means handivan services,
4 elderly transportation, pothole repair, the
5 construction of bus stops, the purchase of buses, and
6 similar transportation needs programs.

7 (b) At any time the director of transportation may
8 transfer from the state highway fund all or any portion of
9 available moneys determined by the director of transportation to
10 be in excess of one hundred thirty-five per cent of the
11 requirements for the ensuing twelve months for the state highway
12 fund as permitted by and in accordance with section 37-53. For
13 purposes of the determination, the director of transportation
14 shall take into consideration:

- 15 (1) The amount of federal funds and bond funds on deposit
16 in, and budgeted to be expended from, the state
17 highway fund during the period;
- 18 (2) Amounts on deposit in the state highway fund which are
19 encumbered or otherwise obligated;
- 20 (3) Budgeted amounts payable from the state highway fund
21 during the period;



1 (4) Revenues anticipated to be received by and
 2 expenditures to be made from the state highway fund
 3 during the period based on existing agreements and
 4 other information for the ensuing twelve months; and
 5 (5) Any other factors as the director of transportation
 6 shall deem appropriate."

7 SECTION 3. It is the intent of this Act not to jeopardize
 8 the receipt of any federal aid nor to impair the obligation of
 9 the State or any agency thereof to the holders of any bond
 10 issued by the State or any such agency, and to the extent, and
 11 only to the extent, necessary to effectuate this intent, the
 12 governor may modify the strict provisions of this Act, but shall
 13 promptly report any such modification with reasons therefor to
 14 the legislature at its next session thereafter for review by the
 15 legislature.

16 SECTION 4. Statutory material to be repealed is bracketed
 17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2006.
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INTRODUCED BY:

Norman Sakami

Will Espino

Ron...
Armenak...
Armani R....
Trizanne Chun Oakland
Carol Fukunaga

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SB. NO. 2540

Report Title:

State Highway Fund; County Use

Description:

Allows moneys in the state highway fund to be used by the counties to construct and improve county roads.

