
A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. The purpose of this Act is to address the
2 repair and maintenance of facilities of the University of
3 Hawaii. More specifically, this Act:

4 (1) Creates the University of Hawaii repair and
5 maintenance special account to fund the repair and
6 maintenance of university facilities and requires the
7 deposit of one per cent of general revenues accrued
8 during the next six fiscal years into the special
9 account; and

10 (2) Expresses the legislature's intent to authorize and
11 appropriate, in each of the next six fiscal years, an
12 additional minimum of \$50,000,000 in general
13 obligation bonds for the same purpose and requires
14 general excise tax revenues to be transferred to the
15 University of Hawaii repair and maintenance special
16 account if the minimum \$50,000,000 general obligation
17 bond commitment falls short in any fiscal year.



1 The legislature has expressed only its intent for future
2 authorizations and appropriations of a minimum \$50,000,000 in
3 general obligation bonds because the legislature is unable to
4 make the actual appropriation for future fiscal years in this
5 Act. The Hawaii Constitution requires moneys for executive
6 agencies to be appropriated only in the executive budget act,
7 supplemental budget act, or another act passed subsequent to
8 either of the former. Thus, this Act cannot make appropriations
9 for fiscal years beyond fiscal year 2008-2009.

10 This Act also:

- 11 (1) Requires certain appropriations to be made in lump
12 sums to give the University of Hawaii the discretion
13 to identify the repair and maintenance projects to be
14 funded;
- 15 (2) Appropriates \$50,000,000 from the University of Hawaii
16 repair and maintenance special account for repair and
17 maintenance of university facilities; and
- 18 (3) Authorizes the issuance of \$50,000,000 in general
19 obligation bonds and appropriates the proceeds for the
20 same purpose.



1 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
2 amended by adding a new subpart to part VI to be appropriately
3 designated and to read as follows:

4 " . GENERAL OBLIGATION BONDS FOR REPAIR AND MAINTENANCE

5 **§304A-A Legislative intent concerning general obligation**

6 **bonds for repair and maintenance.** (a) The legislature
7 expresses its intent to authorize and appropriate, during each
8 fiscal year of the fiscal period from July 1, 2008, through June
9 30, 2014, general obligation bonds in the sum of not less than
10 \$50,000,000 for the repair and maintenance of University of
11 Hawaii facilities; provided that each appropriation shall be in
12 a lump sum to allow the University of Hawaii full discretion in
13 identifying the repair and maintenance projects to be funded.

14 (b) If in any fiscal year for which subsection (a)
15 applies, the legislature fails or refuses to fulfill the intent
16 expressed under that subsection, general excise tax revenues in
17 an amount determined in accordance with section 237-31(2) shall
18 be credited to the University of Hawaii repair and maintenance
19 special account during that fiscal year."

20 SECTION 3. Chapter 36, Hawaii Revised Statutes, is amended
21 by adding a new section to part II to be appropriately
22 designated and to read as follows:



1 "§36-A University of Hawaii repair and maintenance special
2 account. (a) There is created in the state general fund under
3 UOH 900 (University of Hawaii, system wide support) the
4 University of Hawaii repair and maintenance special account.

5 (b) The following shall be deposited into the special
6 account:

7 (1) One per cent of the general revenues of the State that
8 accrue during the fiscal period from July 1, 2008,
9 through June 30, 2014;

10 (2) Interest earned on moneys in the special account; and

11 (3) General excise tax revenues pursuant to section 237-
12 31(2); provided that this amount shall be in addition
13 to the moneys deposited pursuant to paragraph (1).

14 The director of finance shall deposit the amount identified
15 under paragraph (1) into the special account on at least a
16 quarterly basis.

17 (c) The moneys in the special account shall be
18 appropriated and expended solely for the repair and maintenance
19 of facilities of the University of Hawaii; provided that moneys
20 in the special account shall be appropriated in a lump sum to
21 allow the University of Hawaii full discretion to identify the
22 repair and maintenance projects to be funded.



1 Expenditures from the special account shall be subject to
2 sections 37-31 and 37-33 to 37-40.

3 (d) Any unexpended and unencumbered appropriation at the
4 close of the fiscal period for which the appropriation is made
5 shall lapse into the special account and be available for
6 appropriation and expenditure in subsequent fiscal years.

7 (e) This section shall not be construed to prohibit:

8 (1) The appropriation and expenditure of other sources of
9 funds, such as general obligation bond funds, for the
10 repair and maintenance of University of Hawaii
11 facilities; or

12 (2) The appropriation and expenditure of general funds,
13 general obligation bonds, or other sources of funds
14 for the development of new University of Hawaii
15 facilities.

16 (f) Beginning with the regular session of 2009, the
17 president of the University of Hawaii shall submit an annual
18 report to the legislature no later than twenty days prior to the
19 convening of each regular session. The report shall include:

20 (1) A financial statement of the University of Hawaii
21 repair and maintenance special account;



1 (2) The repair and maintenance projects undertaken during
2 the immediate past fiscal year; and

3 (3) The planned repair and maintenance projects for the
4 remaining fiscal years during which the special
5 account is to receive moneys.

6 (g) No general revenues of the State that accrue after
7 June 30, 2014, shall be deposited into the special account.

8 No general excise tax revenues shall be deposited into the
9 special account after June 30, 2014.

10 (h) This section shall be repealed on the day following
11 the date of the last payment of moneys from the special account.

12 The attorney general, upon the advice of the director of
13 finance, shall notify the president of the senate, speaker of
14 the house of representatives, and revisor of statutes of the
15 date of the repeal."

16 SECTION 4. Section 237-31, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§237-31 Remittances.** All remittances of taxes imposed by
19 this chapter shall be made by money, bank draft, check,
20 cashier's check, money order, or certificate of deposit to the
21 office of the department of taxation to which the return was
22 transmitted. The department shall issue its receipts therefor



1 to the taxpayer and shall pay the moneys into the state treasury
2 as a state realization, to be kept and accounted for as provided
3 by law; provided that:

4 (1) The sum from all general excise tax revenues realized
5 by the State that represents the difference between
6 \$90,000,000 and the proceeds from the sale of any
7 general obligation bonds authorized for that fiscal
8 year for the purposes of the state educational
9 facilities improvement special fund shall be deposited
10 in the state treasury in each fiscal year to the
11 credit of the state educational facilities improvement
12 special fund for public school capital improvement
13 program needs; [~~and~~]

14 If the legislature does not fulfill the intent
15 expressed under section 304A-A for any fiscal year,
16 general excise tax revenues in the amount that
17 represents the difference between \$50,000,000 and the
18 principal amount of general obligation bonds
19 authorized and appropriated by the legislature in the
20 subject fiscal year for the repair and maintenance of
21 University of Hawaii facilities, in compliance with
22 the intent of section 304A-A, shall be deposited into



1 the state treasury to the credit of the University of
2 Hawaii repair and maintenance special account. The
3 general excise tax revenues calculated pursuant to
4 this paragraph shall be credited to the University of
5 Hawaii repair and maintenance special account by
6 December 31 of the subject fiscal year without
7 necessity of legislative appropriation; and

8 [+2+] (3) A sum, not to exceed \$5,000,000, from all general
9 excise tax revenues realized by the State shall be
10 deposited in the state treasury in each fiscal year to
11 the credit of the compound interest bond reserve
12 fund."

13 SECTION 5. Section 304A-2101, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) The general fund budget appropriations for the
16 university shall be an amount not less than three times and not
17 greater than five times the amount of regular tuition and
18 related fee revenues estimated for that fiscal year[-]; provided
19 that appropriations from the University of Hawaii repair and
20 maintenance special account established by section 36-A shall be
21 excluded from calculations to determine compliance with the



1 required minimum and maximum general fund budget appropriations
2 for the university."

3 SECTION 6. There is appropriated out of the University of
4 Hawaii repair and maintenance special account in the general
5 fund of the State of Hawaii the sum of \$50,000,000 or so much
6 thereof as may be necessary for fiscal year 2008-2009 for the
7 repair and maintenance of University of Hawaii facilities as
8 identified by the University of Hawaii; provided that the
9 appropriation made by this section shall not lapse at the end of
10 the fiscal year for which the appropriation is made; provided
11 further that all moneys from the appropriation unencumbered as
12 of June 30, 2010, shall lapse back into the University of Hawaii
13 repair and maintenance special account as of that date.

14 The sum appropriated shall be expended by the University of
15 Hawaii for the purposes of this section.

16 SECTION 7. The director of finance is authorized to issue
17 general obligation bonds in the sum of \$50,000,000 or so much
18 thereof as may be necessary and the same sum or so much thereof
19 as may be necessary is appropriated for fiscal year 2008-2009
20 for the repair and maintenance of University of Hawaii
21 facilities as identified by the university; provided that the
22 appropriation made by this section shall not lapse at the end of



1 the fiscal year for which the appropriation is made; provided
2 further that all moneys from the appropriation unencumbered as
3 of June 30, 2010, shall lapse as of that date.

4 The sum appropriated shall be expended by the University of
5 Hawaii for the purposes of this section.

6 SECTION 8. In codifying the new sections added by sections
7 2 and 3 of this Act, the revisor of statutes shall substitute
8 appropriate section numbers for the letters used in designating
9 the new sections in this Act.

10 SECTION 9. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 10. This Act shall take effect on June 29, 2020;
13 provided that:

14 (1) The amendment made to section 237-31, Hawaii Revised
15 Statutes, by section 4 of this Act shall not be
16 repealed when that section is repealed and reenacted
17 on June 30, 2008, by section 4 of Act 304, Session
18 Laws of Hawaii 2006; and

19 (2) The amendment made to section 237-31, Hawaii Revised
20 Statutes, by section 4 of this Act shall be repealed
21 on June 30, 2014.

22



Report Title:

University of Hawaii Facilities; Repair and Maintenance

Description:

Requires 1 percent of general revenues accrued from July 1, 2008, to June 30, 2014, to be deposited into the newly-created University of Hawaii Repair and Maintenance Special Account for the repair and maintenance of UH facilities. Expresses the Legislature's intent to authorize and appropriate, in each fiscal year of the fiscal period July 1, 2008, to June 30, 2014, at least an additional \$50,000,000 in general obligation bonds for the repair and maintenance of UH facilities. Provides that, if the \$50,000,000 in bonds is not appropriated in a fiscal year, general excise tax revenues to make up the shortfall shall be automatically transferred to the special account. States that the appropriations of special account moneys and general obligation bond funds shall be in lump sums so that UH has the discretion to identify the repair and maintenance projects that should be funded. Appropriates \$50,000,000 from the special account in fiscal year 2008-2009 for the repair and maintenance of UH facilities. Authorizes and appropriates \$50,000,000 in general obligation bonds for the repair and maintenance of UH facilities. (HB2521 HD2)

