
A BILL FOR AN ACT

RELATING TO OBLIGATIONS OF THE DEPARTMENT OF HAWAIIAN HOME LANDS
TRUST FUND.

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

1 SECTION 1. The purpose of this Act is to establish a two-
2 year pilot project to enable the department of Hawaiian home
3 lands to begin housing projects without having the full cost of
4 the projects on hand at the start of a housing project.

5 SECTION 2. Section 37-40, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§37-40 Exceptions; trust funds.** Except as to
8 administrative expenditures, and except as otherwise provided by
9 law, expenditures from trust funds may be made by any department
10 or establishment without appropriation or allotment; provided
11 that no expenditure shall be made from and no obligation shall
12 be incurred against any trust fund in excess of the amount
13 standing to the credit of the fund or for any purpose for which
14 the fund may not lawfully be expended[-], except that
15 obligations in excess of the amount standing to the credit of a
16 department of Hawaiian home lands trust fund may be incurred,
17 subject to conditions that the director of finance believes to

1 be reasonably necessary, when the director of finance determines
2 that:

3 (1) Moneys to pay the obligation made in excess of the
4 amount standing to the credit of the trust fund are
5 expected to be received by the trust fund within a
6 reasonable time period; and

7 (2) With the approval of the governor, such action is in
8 the best interests of the State and will not impede or
9 hamper the financial obligations of the State.

10 Nothing in sections 37-31 to 37-41 shall require any trust fund
11 established pursuant to law be reappropriated annually."

12 SECTION 3. Section 103D-309, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Contracts awarded pursuant to section 103D-302,
15 103D-303, or 103D-306, shall neither be binding nor have any
16 force and effect of law unless the comptroller, the director of
17 finance of a county, or the respective chief financial officers
18 of the department of education, the judiciary, or the
19 legislative branches of the State or county, as the case may be,
20 endorses thereon a certificate that there is an appropriation or
21 balance of an appropriation over and above all outstanding

1 contracts, sufficient to cover the amount required by the
2 contract; provided that if the contract is a multi-term
3 contract, the comptroller, director of finance, or chief
4 financial officer shall only be required to certify that there
5 is an appropriation or balance of an appropriation over and
6 above all outstanding contracts, that is sufficient to cover the
7 amount required to be paid under the contract during the fiscal
8 year or remaining portion of the fiscal year of each term of the
9 multi-year contract; provided further that the administrator of
10 the state procurement office shall attest in writing to any
11 recommendation or solicitations. This section shall not apply
12 to any contract under which the total amount to be paid to the
13 contractor cannot be accurately estimated at the time the
14 contract is to be awarded, or to any contract for which
15 consideration is in kind or forbearance, or to any contract
16 awarded pursuant to section 103D-306 that is a one-time payment
17 through a purchase order[-], or to any contractual obligation
18 approved by the governor under section 37-40."

19 SECTION 4. The department of Hawaiian home lands shall
20 submit an interim report to the legislature no later than twenty
21 days prior to the convening of the regular session of 2010 and a

1 final report to the legislature no later than twenty days prior
2 to the convening of the regular session of 2011, including in
3 the interim and final reports:

4 (1) The number of instances and extent of obligations it
5 has incurred in excess of the amount standing to the
6 credit of the department of Hawaiian home lands trust
7 fund pursuant to the provisions of this Act;

8 (2) The name, location, and description of any housing
9 projects, including the number and types of housing
10 units, and the projected delivery date of the units in
11 each project, that have benefitted from the
12 obligations incurred in paragraph 1; and

13 (3) Any other information that it may deem to be relevant;
14 during the period from the effective date of this Act to, and
15 including, the date of the filing of the interim and final
16 reports required by this section.

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on July 1, 2009 and
20 shall be repealed on June 30, 2011; provided that sections 37-40
21 and 103D-309, Hawaii Revised Statutes, shall be reenacted on

- 1 July 1, 2011, in the form in which they read on the day prior to
- 2 the effective day of this Act.

Report Title:

Department of Hawaiian Home Lands; Obligation of Funds

Description:

Temporarily enables the department of Hawaiian home lands to begin construction on affordable housing projects without having the full and final amount of the capital costs on hand at the beginning of the project. Effective 7/1/09; repealed 6/30/11.
(SD2)