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## A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS.

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

1           SECTION 1. The legislature finds that the department of  
2 commerce and consumer affairs is a self-sustaining department  
3 whose operational costs are funded almost exclusively through  
4 special funds. The legislature further finds this principle of  
5 self-sustainment should be extended to apply to capital  
6 expenditures as well as operational expense, especially during  
7 these economically challenging times, during which the State  
8 must make efforts to recover all costs for the operations of  
9 special-funded departments.

10           In particular, the legislature finds that the State issued  
11 general obligation bonds in 2002 to assist the department of  
12 commerce and consumer affairs in the purchase of a new building.

13           The purpose of this Act is to require the department of  
14 commerce and consumer affairs to be financially obligated to pay  
15 all the interest on the principal on the general obligation  
16 bonds issued for the purchase of the building for the  
17 department.



1 SECTION 2. Section 26-9, Hawaii Revised Statutes, is  
2 amended by amending subsection (o) to read as follows:

3 "(o) Every person licensed under any chapter within the  
4 jurisdiction of the department of commerce and consumer affairs  
5 and every person licensed subject to chapter 485A or registered  
6 under chapter 467B shall pay upon issuance of a license, permit,  
7 certificate, or registration a fee and a subsequent annual fee  
8 to be determined by the director and adjusted from time to time  
9 to ensure that the proceeds, together with all other fines,  
10 income, and penalties collected under this section, do not  
11 surpass the annual operating costs of conducting compliance  
12 resolution activities required under this section. The fees may  
13 be collected biennially or pursuant to rules adopted under  
14 chapter 91, and shall be deposited into the special fund  
15 established under this subsection. Every filing pursuant to  
16 chapter 514E or section 485A-202(a)(26) shall be assessed, upon  
17 initial filing and at each renewal period in which a renewal is  
18 required, a fee that shall be prescribed by rules adopted under  
19 chapter 91, and that shall be deposited into the special fund  
20 established under this subsection. Any unpaid fee shall be paid  
21 by the licensed person, upon application for renewal,  
22 restoration, reactivation, or reinstatement of a license, and by



1 the person responsible for the renewal, restoration,  
2 reactivation, or reinstatement of a license, upon the  
3 application for renewal, restoration, reactivation, or  
4 reinstatement of the license. If the fees are not paid, the  
5 director may deny renewal, restoration, reactivation, or  
6 reinstatement of the license. The director may establish,  
7 increase, decrease, or repeal the fees when necessary pursuant  
8 to rules adopted under chapter 91. The director may also  
9 increase or decrease the fees pursuant to section 92-28.

10 There is created in the state treasury a special fund to be  
11 known as the compliance resolution fund to be expended by the  
12 director's designated representatives as provided by this  
13 subsection. Notwithstanding any law to the contrary, all  
14 revenues, fees, and fines collected by the department shall be  
15 deposited into the compliance resolution fund. Unencumbered  
16 balances existing on June 30, 1999, in the cable television fund  
17 under chapter 440G, the division of consumer advocacy fund under  
18 chapter 269, the financial institution examiners' revolving  
19 fund, section 412:2-109, the special handling fund, section 414-  
20 13, and unencumbered balances existing on June 30, 2002, in the  
21 insurance regulation fund, section 431:2-215, shall be deposited  
22 into the compliance resolution fund. This provision shall not



1 apply to the drivers education fund underwriters fee, section  
2 431:10C-115, insurance premium taxes and revenues, revenues of  
3 the workers' compensation special compensation fund, section  
4 386-151, the captive insurance administrative fund, section  
5 431:19-101.8, the insurance commissioner's education and  
6 training fund, section 431:2-214, the medical malpractice  
7 patients' compensation fund as administered under section 5 of  
8 Act 232, Session Laws of Hawaii 1984, and fees collected for  
9 deposit in the office of consumer protection restitution fund,  
10 section 487-14, the real estate appraisers fund, section 466K-1,  
11 the real estate recovery fund, section 467-16, the real estate  
12 education fund, section 467-19, the contractors recovery fund,  
13 section 444-26, the contractors education fund, section 444-29,  
14 the condominium management education fund, section 514A-131, and  
15 the condominium education trust fund, section 514B-71. Any law  
16 to the contrary notwithstanding, the director may use the moneys  
17 in the fund to employ, without regard to chapter 76, hearings  
18 officers and attorneys. All other employees may be employed in  
19 accordance with chapter 76. Any law to the contrary  
20 notwithstanding, the moneys in the fund shall be used to fund  
21 the operations of the department. The moneys in the fund may be



1 used to train personnel as the director deems necessary and for  
2 any other activity related to compliance resolution.

3 Notwithstanding section 39-12, payments of the interest on  
4 the principal of the general obligation bond or bonds authorized  
5 and issued pursuant to Act 177, Session Laws of Hawaii 2002, for  
6 the acquisition and renovation of the old federal building to be  
7 occupied by the department of commerce and consumer affairs, and  
8 included as part of program ID, general support-protection of  
9 the consumer(CCA 191), shall be made out of the compliance  
10 resolution fund.

11 Upon the effective date of this Act, the director shall be  
12 obligated to reimburse the director of finance for all interest  
13 payments on the bond or bonds made by the director of finance  
14 prior to July 1, 2009. Subsequent to the effective date of this  
15 Act, the director shall assume the obligation to make payments  
16 on the several interest amounts as they mature.

17 As used in this subsection, unless otherwise required by  
18 the context, "compliance resolution" means a determination of  
19 whether:

- 20 (1) Any licensee or applicant under any chapter subject to  
21 the jurisdiction of the department of commerce and  
22 consumer affairs has complied with that chapter;



1 (2) Any person subject to chapter 485A has complied with  
2 that chapter;

3 (3) Any person submitting any filing required by chapter  
4 514E or section 485A-202(a)(26) has complied with  
5 chapter 514E or section 485A-202(a)(26);

6 (4) Any person has complied with the prohibitions against  
7 unfair and deceptive acts or practices in trade or  
8 commerce; or

9 (5) Any person subject to chapter 467B has complied with  
10 that chapter;

11 and includes work involved in or supporting the above functions,  
12 licensing, or registration of individuals or companies regulated  
13 by the department, consumer protection, and other activities of  
14 the department.

15 The director shall prepare and submit an annual report to  
16 the governor and the legislature on the use of the compliance  
17 resolution fund. The report shall describe expenditures made  
18 from the fund including non-payroll operating expenses."

19 SECTION 3. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

*Calvin K. Boy*  
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JAN 28 2009



**Report Title:**

Old Federal Building Acquisition; Compliance Resolution Fund

**Description:**

Requires that payments of the amounts attributable to the interest on the principal of the general obligation bonds authorized and issued for the acquisition and renovation of the old federal building for the department of commerce and consumer affairs be made out of the compliance resolution fund.

