

Report Title:

Transfer and reallocation of Non-General Funds

Description:

Transfers excess balance from various non-general funds to the general fund; repeals central service and administrative fee exemptions; transfers interest from non-general funds to the general fund; redistributes conveyance tax revenues.

A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

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PART I

2

SECTION 1. Many unprecedented events have converged to create

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an economic, financial, and fiscal environment that threatens

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the very foundation of our national economy. Problems that

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arose in the national housing sector and sub-prime mortgage

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market last year have radiated from Wall Street to Main Street.

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Across the United States, the result has been increasing

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business bankruptcies and closures, lower consumer confidence

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and spending, and job losses and rising unemployment.

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For state governments, the financial crisis and economic

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downturn have adversely impacted tax revenues and budgets. Most

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states, like Hawaii, rely on income and sales taxes as their

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main sources of revenues. The slowdown in employment and

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consumer spending has reduced state revenues nationwide at a

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time when operating costs continue to rise.

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Hawaii is experiencing a severe contraction in its visitor,

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retail, and construction industries. As a consequence, the

1 council on revenues has revised its revenue projections downward
2 five times during 2008 and once again at the beginning of
3 January 2009. The cumulative effect of these successive
4 reductions in revenue estimates for fiscal years 2008-2009,
5 2009-2010, and 2010-2011 is a substantial decrease in the amount
6 of general funds that the State can expect in the immediate and
7 near future. Given the level of spending that has been
8 authorized by the legislature during the 2007 and 2008 regular
9 and special sessions and the anticipated rising cost of state
10 operations, a \$1,760,000,000 general fund budget shortfall is
11 projected by the end of fiscal year 2010-2011 if corrective
12 action is not taken.

13 The legislature finds that due to the extraordinary fiscal
14 crisis the State faces, non-general funds must be reviewed and
15 scrutinized to determine if excess balances are available. The
16 legislature further finds that transfers of excess balances are
17 needed to help address the critical budget shortfall in fiscal
18 biennium 2009-2011.

19 SECTION 2. Section 138-3, Hawaii Revised Statutes, is
20 amended to read as follows:

21 **"§138-3 Wireless enhanced 911 fund.** There is established
22 outside the state treasury a special fund, to be known as the

1 wireless enhanced 911 fund, to be administered by the board.
2 The fund shall consist of amounts collected under section
3 138-4. [~~Moneys paid into the fund are not general fund revenues~~
4 ~~of the State.~~] The board shall place the funds in an
5 interest-bearing account at any federally insured financial
6 institution, separate and apart from the general fund of the
7 State. Moneys in the fund shall be expended exclusively by the
8 board for the purposes of ensuring adequate cost recovery for
9 the deployment of phase I and phase II wireless enhanced 911
10 service and for expenses of administering the fund. Any funds
11 that accumulate in the wireless enhanced 911 fund shall be
12 retained in the fund unless determined by the legislature to be
13 in excess."

14 SECTION 3. Section 342G-104, Hawaii Revised Statutes, is
15 amended by amending subsection (c) to read as follows:

16 "(c) Any funds that accumulate in the deposit beverage
17 container deposit special fund shall be retained in the fund
18 unless determined by the [~~auditor~~] legislature to be in excess[~~7~~
19 ~~after adjustments to the deposit beverage fee, pursuant to the~~
20 ~~management and financial audits conducted in accordance with~~
21 ~~section 342G-107]."~~

1 SECTION 4. The legislature determines that there is in the
2 wireless enhanced 911 fund at least \$9,000,000 in excess of the
3 requirements of the fund. On June 29, 2009, the director of
4 finance is authorized to transfer from the wireless enhanced 911
5 fund to the general fund the sum of \$9,000,000 or so much
6 thereof as may be necessary for fiscal year 2008-2009.

7 SECTION 5. The legislature determines that there is in the
8 deposit beverage container deposit special fund at least
9 \$20,000,000 in excess of the requirements of the fund. On June
10 29, 2009, the director of finance is authorized to transfer from
11 the deposit beverage container deposit special fund to the
12 general fund the sum of \$20,000,000 or so much thereof as may be
13 necessary for fiscal year 2008-2009.

14 PART II

15 SECTION 6. The Legislature finds that section 37-53,
16 Hawaii Revised Statutes, provides the Governor nearly unlimited
17 authority to transfer non-general funds to the general fund.
18 Section 37-53 provides that, "At any time during a fiscal year,
19 notwithstanding any other law to the contrary, any department
20 may, with the approval of the governor or the director of
21 finance if so delegated by the governor, transfer from any
22 special fund relating to such department to the general revenues

1 of the State all or any portion of moneys determined to be in
2 excess of fiscal year requirements for such special fund, except
3 for special funds under the control of the department of
4 transportation relating to highways, airports, transportation
5 use, and harbors activities, special funds under the control of
6 the Hawaii health systems corporation or subaccounts under the
7 control of its regional system boards, and special funds of the
8 University of Hawaii. At any time the department of
9 transportation, with the approval of the governor or the
10 director of finance if so delegated by the governor, may
11 transfer from any special fund under the control of the
12 department of transportation, or from any account within any
13 such special fund, to the general revenues of the State or to
14 any other special fund under the control of the department of
15 transportation all or any portion of moneys determined to be in
16 excess of requirements for the ensuing twelve months determined
17 as prescribed by rules adopted pursuant to chapter 91; provided
18 that no such transfer shall be made which would cause a
19 violation of federal law or federal grant agreements."

20 SECTION 7. The legislature determines that there is in the
21 agricultural loan reserve fund at least \$1,500,000 in excess of
22 the requirements of the fund. On June 1, 2009, the director of

1 finance is authorized to transfer from the agricultural loan
2 reserve fund to the general fund the sum of \$1,500,000 or so
3 much thereof as may be necessary for fiscal year 2008-2009.

4 SECTION 8. The legislature determines that there is in the
5 agricultural loan revolving fund at least \$4,000,000 in excess
6 of the requirements of the fund. On June 1, 2009, the director
7 of finance is authorized to transfer from the agricultural loan
8 revolving fund to the general fund the sum of \$4,000,000 or so
9 much thereof as may be necessary for fiscal year 2008-2009.

10 SECTION 9. The legislature determines that there is in the
11 state risk management revolving fund at least \$7,000,000 in
12 excess of the requirements of the fund. On June 1, 2009, the
13 director of finance is authorized to transfer from the state
14 risk management revolving fund to the general fund the sum of
15 \$7,000,000 or so much thereof as may be necessary for fiscal
16 year 2008-2009.

17 SECTION 10. The legislature determines that there is in
18 the stadium special fund at least \$2,000,000 in excess of the
19 requirements of the fund. On June 1, 2009, the director of
20 finance is authorized to transfer from the stadium special fund
21 to the general fund the sum of \$2,000,000 or so much thereof as
22 may be necessary for fiscal year 2008-2009.

1 SECTION 11. The legislature determines that there is in
2 the wireless enhanced 911 fund at least \$9,000,000 in excess of
3 the requirements of the fund. On June 1, 2009, the director of
4 finance is authorized to transfer from the wireless enhanced 911
5 fund to the general fund the sum of \$9,000,000 or so much
6 thereof as may be necessary for fiscal year 2008-2009.

7 SECTION 12. The legislature determines that there is in
8 the medicaid investigations recovery fund at least \$2,000,000 in
9 excess of the requirements of the fund. On June 1, 2009, the
10 director of finance is authorized to transfer from the medicaid
11 investigations recovery fund to the general fund the sum of
12 \$2,000,000 or so much thereof as may be necessary for fiscal
13 year 2008-2009.

14 SECTION 13. The legislature determines that there is in
15 the state identification revolving fund at least \$600,000 in
16 excess of the requirements of the fund. On June 1, 2009, the
17 director of finance is authorized to transfer from the state
18 identification revolving fund to the general fund the sum of
19 \$600,000 or so much thereof as may be necessary for fiscal year
20 2008-2009.

21 SECTION 14. The legislature determines that there is in
22 the hydrogen investment capital special fund at least \$2,000,000

1 in excess of the requirements of the fund. On June 1, 2009, the
2 director of finance is authorized to transfer from the hydrogen
3 investment capital special fund to the general fund the sum of
4 \$2,000,000 or so much thereof as may be necessary for fiscal
5 year 2008-2009.

6 SECTION 15. The legislature determines that there is in
7 the housing finance revolving fund at least \$2,000,000 in excess
8 of the requirements of the fund. On June 1, 2009, the director
9 of finance is authorized to transfer from the housing finance
10 revolving fund to the general fund the sum of \$2,000,000 or so
11 much thereof as may be necessary for fiscal year 2008-2009.

12 SECTION 16. The legislature determines that there is in
13 the rental assistance revolving fund at least \$20,000,000 in
14 excess of the requirements of the fund. On June 1, 2009, the
15 director of finance is authorized to transfer from the rental
16 assistance revolving fund to the general fund the sum of
17 \$20,000,000 or so much thereof as may be necessary for fiscal
18 year 2008-2009.

19 SECTION 17. The legislature determines that there is in
20 the compliance resolution fund at least \$10,000,000 in excess of
21 the requirements of the fund. On June 1, 2009, the director of
22 finance is authorized to transfer from the compliance resolution

1 fund to the general fund the sum of \$10,000,000 or so much
2 thereof as may be necessary for fiscal year 2008-2009.

3 SECTION 18. The legislature determines that there is in
4 the drug demand reduction assessments special fund at least
5 \$1,000,000 in excess of the requirements of the fund. On June
6 1, 2009, the director of finance is authorized to transfer from
7 the drug demand reduction assessments special fund to the
8 general fund the sum of \$1,000,000 or so much thereof as may be
9 necessary for fiscal year 2008-2009.

10 SECTION 19. The legislature determines that there is in
11 the deposit beverage container special fund at least \$20,000,000
12 in excess of the requirements of the fund. On June 1, 2009, the
13 director of finance is authorized to transfer from the deposit
14 beverage container special fund to the general fund the sum of
15 \$20,000,000 or so much thereof as may be necessary for fiscal
16 year 2008-2009.

17 SECTION 20. The legislature determines that there is in
18 the tobacco settlement special fund at least \$33,000,000 in
19 excess of the requirements of the fund. On June 1, 2009, the
20 director of finance is authorized to transfer from the tobacco
21 settlement special fund to the general fund the sum of

1 \$33,000,000 or so much thereof as may be necessary for fiscal
2 year 2008-2009.

3 SECTION 21. The legislature determines that there is in
4 the neurotrauma special fund at least \$1,500,000 in excess of
5 the requirements of the fund. On June 1, 2009, the director of
6 finance is authorized to transfer from the neurotrauma special
7 fund to the general fund the sum of \$1,500,000 or so much
8 thereof as may be necessary for fiscal year 2008-2009.

9 SECTION 22. The legislature determines that there is in
10 the noise, radiation, and indoor air quality special fund at
11 least \$300,000 in excess of the requirements of the fund. On
12 June 1, 2009, the director of finance is authorized to transfer
13 from the noise, radiation, and indoor air quality special fund
14 to the general fund the sum of \$300,000 or so much thereof as
15 may be necessary for fiscal year 2008-2009.

16 SECTION 23. The legislature determines that there is in
17 the environmental health education fund at least \$400,000 in
18 excess of the requirements of the fund. On June 1, 2009, the
19 director of finance is authorized to transfer from the
20 environmental health education fund to the general fund the sum
21 of \$400,000 or so much thereof as may be necessary for fiscal
22 year 2008-2009.

1 SECTION 24. The legislature determines that there is in
2 the emergency medical services special fund at least \$12,000,000
3 in excess of the requirements of the fund. On June 1, 2009, the
4 director of finance is authorized to transfer from the emergency
5 medical services special fund to the general fund the sum of
6 \$12,000,000 or so much thereof as may be necessary for fiscal
7 year 2008-2009.

8 SECTION 25. The legislature determines that there is in
9 the vital statistics improvement special fund at least \$500,000
10 in excess of the requirements of the fund. On June 1, 2009, the
11 director of finance is authorized to transfer from the vital
12 statistics improvement special fund to the general fund the sum
13 of \$500,000 or so much thereof as may be necessary for fiscal
14 year 2008-2009.

15 SECTION 26. The legislature determines that there is in
16 the clean air special fund at least \$8,000,000 in excess of the
17 requirements of the fund. On June 1, 2009, the director of
18 finance is authorized to transfer from the clean air special
19 fund to the general fund the sum of \$8,000,000 or so much
20 thereof as may be necessary for fiscal year 2008-2009.

21 SECTION 27. The legislature determines that there is in
22 the environmental management special fund at least \$4,000,000 in

1 excess of the requirements of the fund. On June 1, 2009, the
2 director of finance is authorized to transfer from the
3 environmental management special fund to the general fund the
4 sum of \$4,000,000 or so much thereof as may be necessary for
5 fiscal year 2008-2009.

6 SECTION 28. The legislature determines that there is in
7 the driver education and training fund at least \$400,000 in
8 excess of the requirements of the fund. On June 1, 2009, the
9 director of finance is authorized to transfer from the driver
10 education and training fund to the general fund the sum of
11 \$400,000 or so much thereof as may be necessary for fiscal year
12 2008-2009.

13 SECTION 29. The legislature determines that there is in
14 the judiciary computer system special fund at least \$1,500,000
15 in excess of the requirements of the fund. On June 1, 2009, the
16 director of finance is authorized to transfer from the judiciary
17 computer system special fund to the general fund the sum of
18 \$1,500,000 or so much thereof as may be necessary for fiscal
19 year 2008-2009.

20 SECTION 30. The legislature determines that there is in
21 the special fund for temporary disability benefits at least
22 \$7,000,000 in excess of the requirements of the fund. On June

1 1, 2009, the director of finance is authorized to transfer from
2 the special fund for temporary disability benefits to the
3 general fund the sum of \$7,000,000 or so much thereof as may be
4 necessary for fiscal year 2008-2009.

5 SECTION 31. The legislature determines that there is in
6 the salvinia molesta removal special fund at least \$90,000 in
7 excess of the requirements of the fund. On June 1, 2009, the
8 director of finance is authorized to transfer from the salvinia
9 molesta removal special fund to the general fund the sum of
10 \$90,000 or so much thereof as may be necessary for fiscal year
11 2008-2009.

12 SECTION 32. The legislature determines that there is in
13 the special land and development fund at least \$3,000,000 in
14 excess of the requirements of the fund. On June 1, 2009, the
15 director of finance is authorized to transfer from the special
16 land and development fund to the general fund the sum of
17 \$3,000,000 or so much thereof as may be necessary for fiscal
18 year 2008-2009.

19 SECTION 33. The legislature determines that there is in
20 the beach restoration special fund at least \$250,000 in excess
21 of the requirements of the fund. On June 1, 2009, the director
22 of finance is authorized to transfer from the beach restoration

1 special fund to the general fund the sum of \$250,000 or so much
2 thereof as may be necessary for fiscal year 2008-2009.

3 SECTION 34. The legislature determines that there is in
4 the Na Ala Hele Program fund at least \$500,000 in excess of the
5 requirements of the fund. On June 1, 2009, the director of
6 finance is authorized to transfer from the Na Ala Hele Program
7 fund to the general fund the sum of \$500,000 or so much thereof
8 as may be necessary for fiscal year 2008-2009.

9 SECTION 35. The legislature determines that there is in
10 the university revenue-undertakings fund at least \$4,000,000 in
11 excess of the requirements of the fund. On June 1, 2009, the
12 director of finance is authorized to transfer from the
13 university revenue-undertakings fund to the general fund the sum
14 of \$4,000,000 or so much thereof as may be necessary for fiscal
15 year 2008-2009.

16 SECTION 36. The legislature determines that there is in
17 the Hawaii cancer research special fund at least \$10,000,000 in
18 excess of the requirements of the fund. On June 1, 2009, the
19 director of finance is authorized to transfer from the Hawaii
20 cancer research special fund to the general fund the sum of
21 \$10,000,000 or so much thereof as may be necessary for fiscal
22 year 2008-2009.

1 SECTION 37. The legislature determines that there is in
2 the university of Hawaii housing assistance revolving fund at
3 least \$1,000,000 in excess of the requirements of the fund. On
4 June 1, 2009, the director of finance is authorized to transfer
5 from the university of Hawaii housing assistance revolving fund
6 to the general fund the sum of \$1,000,000 or so much thereof as
7 may be necessary for fiscal year 2008-2009.

8 SECTION 38. The legislature determines that there is in
9 the systemwide information technology and services special fund
10 at least \$500,000 in excess of the requirements of the fund. On
11 June 1, 2009, the director of finance is authorized to transfer
12 from the systemwide information technology and services special
13 fund to the general fund the sum of \$500,000 or so much thereof
14 as may be necessary for fiscal year 2008-2009.

15 SECTION 39. The legislature determines that there is in
16 the research and training revolving fund at least \$15,000,000 in
17 excess of the requirements of the fund. On June 1, 2009, the
18 director of finance is authorized to transfer from the research
19 and training revolving fund to the general fund the sum of
20 \$15,000,000 or so much thereof as may be necessary for fiscal
21 year 2008-2009.

1 SECTION 40. The legislature determines that there is in
2 the natural area reserve special fund at least \$5,000,000 in
3 excess of the requirements of the fund. On June 1, 2009, the
4 director of finance is authorized to transfer from the natural
5 area reserve special fund to the general fund the sum of
6 \$5,000,000 or so much thereof as may be necessary for fiscal
7 year 2008-2009.

8 SECTION 41. The legislature determines that there is in
9 the works of art special fund at least \$6,000,000 in excess of
10 the requirements of the fund. On June 1, 2009, the director of
11 finance is authorized to transfer from the works of art special
12 fund to the general fund the sum of \$6,000,000 or so much
13 thereof as may be necessary for fiscal year 2008-2009.

14 SECTION 42. The legislature determines that there is in
15 the domestic violence and sexual assault special fund at least
16 \$500,000 in excess of the requirements of the fund. On June 1,
17 2009, the director of finance is authorized to transfer from the
18 domestic violence and sexual assault special fund to the general
19 fund the sum of \$500,000 or so much thereof as may be necessary
20 for fiscal year 2008-2009.

21 SECTION 43. This Act shall take effect on June 2, 2009.

22

1 PART III

2 SECTION 44. The purpose of this Act is to repeal the
3 provisions that exempts certain special funds from assessments
4 for central service and departmental administrative expenses.

5 The legislature finds that the exceptions from the
6 assessments for the following special funds should be retained:

7 (1) The Hawaii hurricane relief fund because, under
8 current statute, all interest earned on moneys in the
9 fund is already transferred to the general fund;

10 (2) The convention center enterprise special fund and
11 tourism special fund because a portion of the
12 transient accommodations tax, the revenue source for
13 those special funds, already is transmitted to the
14 general fund; and

15 (3) The tourism special fund.

16 SECTION 45. Section 21D-5, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "[+]§21D-5[+] **Hawaii legislative publications special**
19 **fund; established.** (a) There is established a Hawaii
20 legislative publications special fund within the treasury of the
21 State into which shall be deposited:

- 1 (1) All licensing fees or royalties derived from the
- 2 publication of the Hawaii Revised Statutes in
- 3 electronic format;
- 4 (2) All appropriations made by the legislature to the
- 5 fund; and
- 6 (3) Any other proceeds derived from the publication and
- 7 use of other legislative publications and information
- 8 services in an electronic format.

9 All interest accrued by the revenues of the fund shall
10 become part of the fund.

11 (b) Moneys in the Hawaii legislative publications special
12 fund shall be used by the legislature to operate and improve the
13 computer and public access systems of the legislature.

14 Expenditures from the Hawaii legislative publications special
15 fund shall be authorized and disbursed through joint agreement
16 of the president of the senate and the speaker of the house of
17 representatives.

18 (c) The Hawaii legislative publications special fund shall
19 not be subject to section [~~36-27, 36-30, or~~] 37-53."

20 SECTION 46. Section 36-27, Hawaii Revised Statutes, is
21 amended to read as follows:

1 "**§36-27 Transfers from special funds for central service**
 2 **expenses.** Except [~~as provided in this section,~~] for the Hawaii
 3 hurricane relief fund established under section 431P-2,
 4 convention center enterprise special fund established under
 5 section 201B-8, and tourism special fund established under
 6 section 201B-11, and notwithstanding any other law to the
 7 contrary, from time to time, the director of finance, for the
 8 purpose of defraying the prorated estimate of central service
 9 expenses of government [~~in relation to all special funds, except~~
 10 ~~the:~~
 11 ~~(1) Special out of school time instructional program fund~~
 12 ~~under section 302A-1310;~~
 13 ~~(2) School cafeteria special funds of the department of~~
 14 ~~education;~~
 15 ~~(3) Special funds of the University of Hawaii;~~
 16 ~~(4) State educational facilities improvement special fund;~~
 17 ~~(5) Convention center enterprise special fund under~~
 18 ~~section 201B-8;~~
 19 ~~(6) Special funds established by section 206E-6;~~
 20 ~~(7) Housing loan program revenue bond special fund;~~
 21 ~~(8) Housing project bond special fund;~~
 22 ~~(9) Aloha Tower fund created by section 206J-17;~~

- 1 ~~(10) Funds of the employees' retirement system created by~~
- 2 ~~section 88-109;~~
- 3 ~~(11) Unemployment compensation fund established under~~
- 4 ~~section 383-121;~~
- 5 ~~(12) Hawaii hurricane relief fund established under chapter~~
- 6 ~~431P;~~
- 7 ~~(13) Hawaii health systems corporation special funds and~~
- 8 ~~the subaccounts of its regional system boards;~~
- 9 ~~(14) Tourism special fund established under section~~
- 10 ~~201B-11;~~
- 11 ~~(15) Universal service fund established under chapter 269;~~
- 12 ~~(16) Emergency and budget reserve fund under section~~
- 13 ~~328L-3;~~
- 14 ~~(17) Public schools special fees and charges fund under~~
- 15 ~~section 302A-1130(f);~~
- 16 ~~(18) Sport fish special fund under section 187A-9.5;~~
- 17 ~~(19) Neurotrauma special fund under section 321H-4;~~
- 18 ~~(20) Deposit beverage container deposit special fund under~~
- 19 ~~section 342G-104;~~
- 20 ~~(21) Glass advance disposal fee special fund established by~~
- 21 ~~section 342G-82;~~

- 1 ~~(22) Center for nursing special fund under section 304A-~~
- 2 ~~2163;~~
- 3 ~~(23) Passenger facility charge special fund established by~~
- 4 ~~section 261-5.5;~~
- 5 ~~(24) Solicitation of funds for charitable purposes special~~
- 6 ~~fund established by section 467B-15;~~
- 7 ~~(25) Land conservation fund established by section 173A-5;~~
- 8 ~~(26) Court interpreting services revolving fund under~~
- 9 ~~section 607-1.5;~~
- 10 ~~(27) Trauma system special fund under section 321-22.5;~~
- 11 ~~(28) Hawaii cancer research special fund;~~
- 12 ~~(29) Community health centers special fund; and~~
- 13 ~~(30) Emergency medical services special fund;],~~

14 shall deduct five per cent of all receipts of all [other]
 15 special funds, which deduction shall be transferred to the
 16 general fund of the State and become general realizations of the
 17 State. All officers of the State and other persons having power
 18 to allocate or disburse any special funds shall cooperate with
 19 the director in effecting these transfers. To determine the
 20 proper revenue base upon which the central service assessment is
 21 to be calculated, the director shall adopt rules pursuant to
 22 chapter 91 for the purpose of suspending or limiting the

1 application of the central service assessment of any fund. No
 2 later than twenty days prior to the convening of each regular
 3 session of the legislature, the director shall report all
 4 central service assessments made during the preceding fiscal
 5 year."

6 SECTION 47. Section 36-30, Hawaii Revised Statutes, is
 7 amended by amending subsection (a) to read as follows:

8 "(a) ~~[Each special fund, except the:~~
 9 ~~(1) Transportation use special fund established by section~~
 10 ~~261D-1;~~
 11 ~~(2) Special out-of-school time instructional program fund~~
 12 ~~under section 302A-1310;~~
 13 ~~(3) School cafeteria special funds of the department of~~
 14 ~~education;~~
 15 ~~(4) Special funds of the University of Hawaii;~~
 16 ~~(5) State educational facilities improvement special fund;~~
 17 ~~(6) Special funds established by section 206E-6;~~
 18 ~~(7) Aloha Tower fund created by section 206J-17;~~
 19 ~~(8) Funds of the employees' retirement system created by~~
 20 ~~section 88-109;~~
 21 ~~(9) Unemployment compensation fund established under~~
 22 ~~section 383-121;~~

- 1 ~~(10)~~] Except for the Hawaii hurricane relief fund
 2 established under ~~[chapter 431P;~~
 3 ~~(11)~~ ~~Convention]~~ section 431P-2, convention center
 4 enterprise special fund established under section
 5 201B-8 [~~;~~
 6 ~~(12)~~ ~~Hawaii health systems corporation special funds and~~
 7 ~~the subaccounts of its regional system boards;~~
 8 ~~(13)~~ ~~Tourism]~~, and tourism special fund established under
 9 section 201B-11 [~~;~~
 10 ~~(14)~~ ~~Universal service fund established under chapter 269;~~
 11 ~~(15)~~ ~~Emergency and budget reserve fund under section~~
 12 ~~328L-3;~~
 13 ~~(16)~~ ~~Public schools special fees and charges fund under~~
 14 ~~section 302A-1130(f);~~
 15 ~~(17)~~ ~~Sport fish special fund under section 187A-9.5;~~
 16 ~~(18)~~ ~~Neurotrauma special fund under section 321H-4;~~
 17 ~~(19)~~ ~~Center for nursing special fund under section 304A-~~
 18 ~~2163;~~
 19 ~~(20)~~ ~~Passenger facility charge special fund established by~~
 20 ~~section 261-5.5;~~
 21 ~~(21)~~ ~~Court interpreting services revolving fund under~~
 22 ~~section 607-1.5;~~

- 1 ~~(22) Trauma system special fund under section 321-22.5;~~
 2 ~~(23) Hawaii cancer research special fund;~~
 3 ~~(24) Community health centers special fund;~~
 4 ~~(25) Emergency medical services special fund; and~~
 5 ~~(26) Rental motor vehicle customer facility charge special~~
 6 ~~fund established under section 261——,]~~

7 each special fund shall be responsible for its pro rata share of
 8 the administrative expenses incurred by the department
 9 responsible for the operations supported by the special fund
 10 concerned."

11 SECTION 48. Section 201-85, Hawaii Revised Statutes, is
 12 amended to read as follows:

13 "**§201-85 Exemptions.** The department is authorized to hire
 14 employees necessary to staff its out-of-state offices subject to
 15 chapter 76 and legislative appropriations. The department may
 16 also appoint such other employees exempt from chapter 76 as may
 17 be necessary to administer the affairs of its out-of-state
 18 offices. The initial appointment shall not exceed three years,
 19 during which time the department shall submit to the legislature
 20 a request for approval prior to continuation of the position. The
 21 department shall set the duties, responsibilities, salaries,
 22 holidays, vacations, leaves, hours of work, and working

1 conditions for these employees. Subject to the approval of the
2 director of budget and finance, the department may be exempted
3 from the following state laws only to the extent necessary for
4 the conduct of its business in operating out-of-state offices:

- 5 ~~[(1) Sections 36-27 and 36-30, relating to special fund~~
6 ~~transfers and reimbursements to the general fund;~~
7 ~~-(2)]~~ (1) Chapter 36, relating to management of state funds;
8 ~~[(3)]~~ (2) Chapter 38, relating to deposits of public funds;
9 ~~[(4)]~~ (3) Chapter 40, relating to audit and accounting,
10 except that the department shall comply with section
11 40-81;
12 ~~[(5)]~~ (4) Chapter 76, relating to civil service;
13 ~~[(6) Chapter 77, relating to compensation;~~
14 ~~-(7)]~~ (5) Section 78-1, relating to public employment,
15 except when expressly hiring personnel subject to
16 section 78-1; and
17 ~~[(8)]~~ (6) Section 171-30, relating to acquisition of real
18 property.

19 All moneys necessary for the establishment and operation of
20 out-of-state offices shall be allocated by the legislature
21 through appropriations out of the state general fund. The
22 department shall include in its budgetary request for each

1 upcoming fiscal period, the amounts necessary to effectuate the
 2 purposes of this section."

3 SECTION 49. Section 304A-3005, Hawaii Revised Statutes, is
 4 amended to read as follows:

5 "~~[+]§304A-3005[+]~~ **Research corporation excepted from**
 6 **certain state laws.** To carry out the purposes and objectives of
 7 the research corporation, including the conduct of research and
 8 training projects, the research corporation shall be granted
 9 flexibility in hiring its personnel and in handling and
 10 disbursing moneys by being excepted from the following state
 11 laws:

12 ~~[-(1)] Sections 36-27 and 36-30, relating to special fund~~
 13 ~~reimbursements to the state general fund;~~

14 ~~[-(2)]~~ (1) Chapter 103D, relating to advertising for bids and
 15 purchases to be made in Hawaii whenever public moneys
 16 are expended;

17 ~~[-(3)]~~ (2) Chapter 76, relating to civil service; and

18 ~~[-(4)]~~ (3) Section 78-1, relating to public employment."

19 SECTION 50. Section 342D-82, Hawaii Revised Statutes, is
 20 amended by amending subsection (a) to read as follows:

21 "(a) In addition to any other power or duty prescribed by
 22 law, the director shall:

1 (1) Establish fiscal controls and accounting procedures at
2 least sufficient to assure proper accounting for
3 appropriate accounting periods of payments,
4 disbursements, revenues, and fees received and made
5 for fund balances at the beginning and end of the
6 accounting period;

7 (2) Comply with sections 39-61 and 39-62 and ensure that
8 any revenue bonds issued are excluded from the state
9 constitutional debt ceiling. The revolving fund is a
10 "special fund" within the meaning of Article VII,
11 section 13, of the State Constitution and part III of
12 chapter 39[. ~~The revolving fund is not a "special~~
13 ~~fund" within the meaning of sections 36-27 and 36-30];~~
14 and

15 (3) No later than twenty days prior to the convening of
16 each regular session of the legislature, submit to the
17 legislature a financial report addressing the
18 operations of the revolving fund during the last
19 completed fiscal year."

20 SECTION 51. Section 261D-3, Hawaii Revised Statutes, is
21 repealed.

1 **general fund.** (a) Notwithstanding any other law to the
2 contrary, from July 1, 2009, until June 30, 2015, the director
3 of finance shall deposit into the general fund the interest
4 earned on the short-term investment of moneys of the special
5 funds, revolving funds, and special accounts listed in this
6 subsection. For purposes of this section, "short-term
7 investment" means an investment made by the director of finance
8 in accordance with section 36-21, Hawaii Revised Statutes (HRS).

9 This section shall be applicable to the following special
10 funds, revolving funds, and special accounts:

- 11 (1) Hawaii historic preservation special fund -- section
12 6E-16, HRS;
- 13 (2) Captain Cook memorial fund -- section 6E-33, HRS;
- 14 (3) Hawaii election campaign fund -- section 11-217, HRS;
- 15 (4) Hawaii legislative publications special fund --
16 section 21D-5, HRS;
- 17 (5) Human resources development special fund -- section
18 26-5(f), HRS;
- 19 (6) Compliance resolution fund -- section 26-9(o), HRS;
- 20 (7) Tobacco enforcement special fund -- section 28-15,
21 HRS;

- 1 (8) Medicaid investigations recovery fund -- section 28-
- 2 91.5, HRS;
- 3 (9) Interagency federal revenue maximization revolving
- 4 fund -- section 29-24, HRS;
- 5 (10) State educational facilities improvement special fund
- 6 -- section 36-32, HRS;
- 7 (11) State educational facilities repair and maintenance
- 8 account -- section 36-35, HRS;
- 9 (12) School physical plant operations and maintenance
- 10 account -- section 36-36, HRS;
- 11 (13) Litigated claims fund -- section 40-35, HRS;
- 12 (14) State risk management revolving fund -- section 41D-4,
- 13 HRS;
- 14 (15) Works of art special fund -- section 103-8.5, HRS;
- 15 (16) Surplus federal property revolving fund -- section
- 16 103D-1107, HRS;
- 17 (17) State motor pool revolving fund -- section 105-11,
- 18 HRS;
- 19 (18) Public works project assessment fund -- section 107-
- 20 1.5, HRS;
- 21 (19) State parking revolving fund -- section 107-11(e),
- 22 HRS;

- 1 (20) Stadium special fund -- section 109-3, HRS;
- 2 (21) Kapolei recreational sports complex special fund --
- 3 section 109-9, HRS;
- 4 (22) Major disaster fund -- section 127-11, HRS;
- 5 (23) Environmental response revolving fund -- section 128D-
- 6 2, HRS;
- 7 (24) Aquaculture development special fund -- section 141-
- 8 2.7, HRS;
- 9 (25) Animal quarantine special fund -- section 142-28.5,
- 10 HRS;
- 11 (26) Certification services revolving fund -- section 147-
- 12 101, HRS;
- 13 (27) Seal of quality special fund -- section 148-67, HRS;
- 14 (28) Pesticide use revolving fund -- section 149A-13.5,
- 15 HRS;
- 16 (29) Pest inspection, quarantine, and eradication fund --
- 17 section 150A-4.5, HRS;
- 18 (30) Permit revolving fund -- section 150A-6.7, HRS;
- 19 (31) Agricultural loan revolving fund -- section 155-14,
- 20 HRS;
- 21 (32) Milk control special fund -- section 157-29, HRS;

- 1 (33) Waiahole water system revolving fund -- section 163D-
- 2 15.5, HRS;
- 3 (34) Hawaii agricultural development revolving fund --
- 4 section 163D-17, HRS;
- 5 (35) Agricultural park special fund -- section 166-10, HRS;
- 6 (36) Non-agricultural park lands special fund -- section
- 7 166E-7, HRS;
- 8 (37) Irrigation system revolving fund -- section 167-22,
- 9 HRS;
- 10 (38) Irrigation water development special fund -- section
- 11 167-22.5, HRS;
- 12 (39) Irrigation repair and maintenance special fund --
- 13 section 167-24, HRS;
- 14 (40) Special land and development fund -- section 171-19,
- 15 HRS;
- 16 (41) Infrastructure development fund -- section 171-19.5,
- 17 HRS;
- 18 (42) Beach restoration special fund -- section 171-156,
- 19 HRS;
- 20 (43) Land conservation fund -- section 173A-5, HRS;
- 21 (44) Water resource management fund -- section 174C-5.5,
- 22 HRS;

- 1 (45) Dam and reservoir safety special fund -- section 179D-
2 25, HRS;
- 3 (46) Wildlife revolving fund -- section 183D-10.5, HRS;
- 4 (47) State parks special fund -- section 184-3.4, HRS;
- 5 (48) Firefighter's contingency fund -- section 185-4(d),
6 HRS;
- 7 (49) Sport fish special fund -- section 187A-9.5, HRS;
- 8 (50) Commercial fisheries special fund -- section 189-2.4,
9 HRS;
- 10 (51) Natural area reserve fund -- section 195-9, HRS;
- 11 (52) Forest stewardship fund -- section 195F-4, HRS;
- 12 (53) Energy security special fund -- section 201-12.8, HRS;
- 13 (54) Brownfields cleanup revolving loan fund -- section
14 201-18, HRS;
- 15 (55) Hawaii television and film development special fund --
16 section 201-113, HRS;
- 17 (56) Convention center enterprise special fund -- section
18 201B-8, HRS;
- 19 (57) Tourism special fund -- section 201B-11, HRS;
- 20 (58) Housing finance revolving fund -- section 201H-80,
21 HRS;

- 1 (59) Kikala-Keokea housing revolving fund -- section 201H-
- 2 81, HRS;
- 3 (60) Pineapple workers and retirees housing assistance fund
- 4 -- section 201H-85, HRS;
- 5 (61) Rental assistance revolving fund -- section 201H-123,
- 6 HRS;
- 7 (62) Dwelling unit revolving fund -- section 201H-191, HRS;
- 8 (63) Renewable energy facility siting special fund --
- 9 section 201N-11, HRS;
- 10 (64) Hawaii community development revolving fund -- section
- 11 206E-16, HRS;
- 12 (65) Kalaeloa community development revolving fund --
- 13 section 206E-195, HRS;
- 14 (66) Aloha Tower fund -- section 206J-17, HRS;
- 15 (67) High technology special fund -- section 206M-15.5,
- 16 HRS;
- 17 (68) Hawaii technology loan revolving fund -- section 206M-
- 18 15.6, HRS;
- 19 (69) State disaster revolving loan fund -- section 209-34,
- 20 HRS;
- 21 (70) Hawaii community-based economic development revolving
- 22 fund -- section 210D-4, HRS;

- 1 (71) Hawaii strategic development corporation revolving
2 fund -- section 211F-5, HRS;
- 3 (72) Cancer detection development revolving fund -- section
4 211F-5.5, HRS;
- 5 (73) Hydrogen investment capital special fund -- section
6 211F-5.7, HRS;
- 7 (74) Capital formation revolving fund -- section 211G-16,
8 HRS;
- 9 (75) Foreign-trade zones special fund -- section 212-9,
10 HRS;
- 11 (76) Aquaculture loan revolving fund -- section 219-4, HRS;
- 12 (77) Statewide geospatial information and data integration
13 special fund -- section 225M-7, HRS;
- 14 (78) Natural energy laboratory of Hawaii authority special
15 fund -- section 227D-5, HRS;
- 16 (79) Tax administration special fund -- section 235-20.5,
17 HRS;
- 18 (80) Cigarette tax stamp administrative special fund --
19 section 245-41.5, HRS;
- 20 (81) State highway fund -- section 248-8, HRS;
- 21 (82) Airport revenue fund -- section 248-8, HRS;
- 22 (83) Boating special fund -- section 248-8, HRS;

- 1 (84) Passenger facility charge special fund -- section 261-
2 5.5, HRS;
- 3 (85) Rental motor vehicle customer facility charge special
4 fund -- section 261-5.6, HRS;
- 5 (86) Transportation use special fund -- section 261D-1,
6 HRS;
- 7 (87) Transportation improvement special fund -- section
8 264-19, HRS;
- 9 (88) Highway development special fund -- section 264-122,
10 HRS;
- 11 (89) Harbor special fund -- section 266-19, HRS;
- 12 (90) Ferry project special fund -- section 268-2.6, HRS;
- 13 (91) Public utilities commission special fund -- section
14 269-33, HRS;
- 15 (92) Universal service fund -- section 269-42, HRS;
- 16 (93) OMPO revolving fund -- section 279E-5, HRS;
- 17 (94) Driver education and training fund -- section 286G-2,
18 HRS;
- 19 (95) Ignition interlock special fund -- section 291E-5,
20 HRS;
- 21 (96) Education research and development revolving fund --
22 section 302A-305, HRS;

- 1 (97) Special school lunch fund -- section 302A-405, HRS;
- 2 (98) School bus fare revolving fund -- section 302A-407.5,
3 HRS;
- 4 (99) Felix stipend program special fund -- section 302A-
5 707, HRS;
- 6 (100) Hawaii teacher standards board special fund -- section
7 302A-806, HRS;
- 8 (101) Teachers' housing revolving fund -- section 302A-833,
9 HRS;
- 10 (102) Textbook and instructional materials fee special
11 account -- section 302A-1130.6, HRS;
- 12 (103) After-school plus program revolving fund -- section
13 302A-1149.5, HRS;
- 14 (104) Special out-of-school time instructional program fund
15 -- section 302A-1310, HRS;
- 16 (105) Food distribution program revolving fund -- section
17 302A-1315, HRS;
- 18 (106) Federal grants search, development, and application
19 revolving fund -- section 302A-1405, HRS;
- 20 (107) Department of education federal revenue maximization
21 program revolving fund -- section 302A-1406, HRS;

- 1 (108) School-level minor repairs and maintenance special
2 fund -- section 302A-1504.5, HRS;
- 3 (109) Education design and construction project assessment
4 fund -- section 302A-1508, HRS;
- 5 (110) Libraries special fund -- section 312-3.6, HRS;
- 6 (111) Library fee for enhanced services special fund --
7 section 312-22, HRS;
- 8 (112) Domestic violence and sexual assault special fund --
9 section 321-1.3, HRS;
- 10 (113) Office of health care assurance special fund --
11 section 321-1.4, HRS;
- 12 (114) Community health centers special fund -- section 321-
13 1.65, HRS;
- 14 (115) Trauma system special fund -- section 321-22.5, HRS;
- 15 (116) Environmental health education fund -- section 321-27,
16 HRS;
- 17 (117) Children with special health needs special fund --
18 section 321-53, HRS;
- 19 (118) Emergency medical services special fund -- section
20 321-234, HRS;
- 21 (119) Financial assistance fund for hemophilia -- section
22 321-281, HRS;

- 1 (120) Early intervention special fund -- section 321-355,
2 HRS;
- 3 (121) Public health nursing services special fund -- section
4 321-432, HRS;
- 5 (122) Neurotrauma special fund -- section 321H-4, HRS;
- 6 (123) State health planning and development special fund --
7 section 323D-12.6, HRS;
- 8 (124) Health systems special fund -- section 323F-21(a),
9 HRS;
- 10 (125) Hawaii organ and tissue education special fund --
11 section 327-24, HRS;
- 12 (126) Hawaii tobacco settlement special fund -- section
13 328L-2, HRS;
- 14 (127) Controlled substance registration revolving fund --
15 section 329-59, HRS;
- 16 (128) Mental health and substance abuse special fund --
17 section 334-15, HRS;
- 18 (129) Vital statistics improvement special fund -- section
19 338-14.6, HRS;
- 20 (130) Electronic device recycling fund -- section 339D-10,
21 HRS;

- 1 (131) Wastewater treatment certification board special fund
2 -- section 340B-3.5, HRS;
- 3 (132) Drinking water treatment revolving loan fund --
4 section 340E-35, HRS;
- 5 (133) Clean air special fund -- section 342B-32, HRS;
- 6 (134) Water pollution control revolving fund -- section
7 342D-83, HRS;
- 8 (135) Environmental management special fund -- section 342G-
9 63, HRS;
- 10 (136) Deposit beverage container deposit special fund --
11 section 342G-104, HRS;
- 12 (137) Leaking underground storage tank fund -- section 342L-
13 51, HRS;
- 14 (138) Asbestos and lead abatement special fund -- section
15 342P-8, HRS;
- 16 (139) Public assistance emergency fund -- section 346-53(f),
17 HRS;
- 18 (140) Rx plus special fund -- section 346-318, HRS;
- 19 (141) State pharmacy assistance program special fund --
20 section 346-345, HRS;
- 21 (142) Long-term care benefits fund -- section 346C-5, HRS;

- 1 (143) Blind shop revolving and handicraft fund -- section
2 347-12, HRS;
- 3 (144) Randolph-Sheppard revolving account -- section 347-
4 12.5, HRS;
- 5 (145) Disability and communication access board special fund
6 -- section 348F-7, HRS;
- 7 (146) Crime victim compensation special fund -- section 351-
8 62.5, HRS;
- 9 (147) Commercial exploitation of crime special account --
10 section 351-84, HRS;
- 11 (148) Youth correctional facilities' benefit fund -- section
12 352-21, HRS;
- 13 (149) Correctional facility stores revolving funds --
14 section 353-31, HRS;
- 15 (150) Federal reimbursement maximization special fund --
16 section 353C-7, HRS;
- 17 (151) Correctional industries revolving fund -- section
18 354D-10, HRS;
- 19 (152) Public housing revolving fund -- section 356D-28, HRS;
- 20 (153) Housing project bond special funds -- section 356D-28,
21 HRS;

- 1 (154) State low-income housing revolving fund -- section
2 356D-45, HRS;
- 3 (155) Housing for elders revolving fund -- section 356D-72,
4 HRS;
- 5 (156) Stevedoring fund -- section 382-5, HRS;
- 6 (157) Special unemployment insurance administration fund --
7 section 383-127, HRS;
- 8 (158) Employment and training fund -- section 383-128, HRS;
- 9 (159) Additional unemployment compensation fund -- section
10 385-12, HRS;
- 11 (160) Special premium supplementation fund -- section 393-
12 41, HRS;
- 13 (161) Hoisting machine operators' certification revolving
14 fund -- section 396-20, HRS;
- 15 (162) Commissioner's education and training fund -- section
16 431:2-214, HRS;
- 17 (163) Special drivers education fund account -- section
18 431:10C-115, HRS;
- 19 (164) Captive insurance administrative fund -- section
20 431:19-101.8, HRS;
- 21 (165) Loss mitigation grant fund -- section 431:22-102, HRS;

- 1 (166) Dietitian licensure special fund -- section 448B-10,
2 HRS;
- 3 (167) Notaries public revolving fund -- section 456-9.5,
4 HRS;
- 5 (168) Solicitation of funds for charitable purposes special
6 fund -- section 467B-15, HRS;
- 7 (169) Petroleum industry monitoring, analysis, and reporting
8 special fund -- section 486J-5.6, HRS;
- 9 (170) Bureau of conveyances special fund -- section 502-8,
10 HRS;
- 11 (171) Fee simple residential revolving fund -- section 516-
12 44, HRS;
- 13 (172) DNA registry special fund -- section 706-603, HRS;
- 14 (173) Drug demand reduction assessments special fund --
15 section 706-650, HRS;
- 16 (174) Criminal forfeiture fund -- section 712A-16, HRS;
- 17 (175) Criminal history record improvement revolving fund --
18 section 846-10.6, HRS; and
- 19 (176) State identification revolving fund -- section 846-27,
20 HRS.

21 (b) Notwithstanding any other law to the contrary, from
22 July 1, 2009 until June 30, 2011, the president of the

1 University of Hawaii shall transfer to the director of finance
2 any interest earned on moneys of the following special and
3 revolving funds that are deposited in depositories pursuant to
4 section 304A-2003, HRS. Upon receipt, the director of finance
5 shall deposit the moneys in the general fund.

6 The special and revolving funds, to which this section is
7 applicable, shall be the following:

- 8 (1) University of Hawaii risk management special fund --
9 section 304A-2151, HRS;
- 10 (2) University of Hawaii at Manoa malpractice special fund
11 -- section 304A-2152, HRS;
- 12 (3) University of Hawaii tuition and fees special fund --
13 section 304A-2153, HRS;
- 14 (4) Systemwide information technology and services special
15 fund -- section 304A-2154, HRS;
- 16 (5) Library special fund -- section 304A-2155, HRS;
- 17 (6) University of Hawaii community services special fund -
18 - section 304A-2156, HRS;
- 19 (7) University of Hawaii auxiliary enterprises special
20 fund -- section 304A-2157, HRS;
- 21 (8) Western Governors University special fund -- section
22 304A-2158, HRS;

- 1 (9) University of Hawaii scholarship and assistance
2 special fund -- section 304A-2159, HRS;
- 3 (10) State higher education loan fund -- section 304A-2160,
4 HRS;
- 5 (11) Hawaii educator loan program special fund -- section
6 304A-2161, HRS;
- 7 (12) Community colleges special fund -- section 304A-2162,
8 HRS;
- 9 (13) Center for nursing special fund -- section 304A-2163,
10 HRS;
- 11 (14) Hawaii medical education special fund -- section 304A-
12 2164, HRS;
- 13 (15) State aquarium special fund -- section 304A-2165, HRS;
- 14 (16) University of Hawaii-West Oahu special fund -- section
15 304A-2166, HRS;
- 16 (17) Hawaii cancer research special fund -- section 304A-
17 2168, HRS;
- 18 (18) Energy systems development special fund -- section
19 304A-2169, HRS;
- 20 (19) University of Hawaii commercial enterprises revolving
21 fund -- section 304A-2251, HRS;

- 1 (20) Child care programs revolving fund -- section 304A-
2 2252, HRS;
- 3 (21) Research and training revolving fund -- section 304A-
4 2253, HRS;
- 5 (22) Discoveries and inventions revolving fund -- section
6 304A-2254, HRS;
- 7 (23) Student health center revolving fund -- section 304A-
8 2255, HRS;
- 9 (24) Transcript and diploma revolving fund -- section 304A-
10 2256, HRS;
- 11 (25) University of Hawaii student activities revolving fund
12 -- section 304A-2257, HRS;
- 13 (26) University of Hawaii housing assistance revolving fund
14 -- section 304A-2258, HRS;
- 15 (27) University of Hawaii alumni revolving fund -- section
16 304A-2259, HRS;
- 17 (28) University of Hawaii graduate application revolving
18 fund -- section 304A-2260, HRS;
- 19 (29) University of Hawaii at Manoa intercollegiate
20 athletics revolving fund -- section 304A-2261, HRS;
- 21 (30) University of Hawaii at Hilo intercollegiate athletics
22 revolving fund -- section 304A-2261, HRS;

- 1 (31) Animal research farm, Waialeale, Oahu revolving fund --
2 section 304A-2262, HRS;
- 3 (32) Seed distribution program revolving fund -- section
4 304A-2263, HRS;
- 5 (33) Conference center revolving fund for University of
6 Hawaii at Manoa -- section 304A-2264, HRS;
- 7 (34) International exchange healthcare tourism revolving
8 fund -- section 304A-2265, HRS;
- 9 (35) Education laboratory school summer programs revolving
10 fund -- section 304A-2266, HRS;
- 11 (36) Center for labor education and research revolving fund
12 -- section 304A-2267, HRS;
- 13 (37) Career and technical training projects revolving fund
14 -- section 304A-2268, HRS;
- 15 (38) Community college and University of Hawaii at Hilo
16 bookstore revolving fund -- section 304A-2269, HRS;
- 17 (39) Hawaiian language college revolving fund -- section
18 304A-2270, HRS;
- 19 (40) University of Hawaii-Hilo theatre revolving fund --
20 section 304A-2271, HRS;
- 21 (41) Conference center revolving fund, University of Hawaii
22 at Hilo -- section 304A-2272, HRS;

1 (42) Community college conference center revolving fund --
2 section 304A-2273, HRS;

3 (43) University of Hawaii real property and facilities use
4 revolving fund -- section 304A-2274, HRS; and

5 (44) University parking revolving fund -- section 304A-
6 2275, HRS.

7 (c) Notwithstanding any other law to the contrary, from
8 July 1, 2009 until June 30, 2011, the chief justice shall
9 transfer to the director of finance any interest earned on the
10 short-term investment by the judiciary of moneys of the
11 following special and revolving funds. Upon receipt, the
12 director of finance shall deposit the moneys in the general
13 fund.

14 The special and revolving funds, to which this section is
15 applicable, shall be the following:

16 (1) Supreme court law library revolving fund -- section
17 601-3.5, HRS;

18 (2) Spouse and child abuse special account -- section 601-
19 3.6, HRS;

20 (3) Judiciary computer system special fund -- section 601-
21 3.7, HRS;

- 1 (4) Court interpreting services revolving fund -- section
- 2 607-1.5, HRS;
- 3 (5) Parent education special fund -- section 607-5.6(d),
- 4 HRS;
- 5 (6) Indigent legal assistance fund -- section 607-5.7(c);
- 6 and
- 7 (7) Probation services special fund -- section 706-649,
- 8 HRS.

9 SECTION 55. Section 36-21, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) The director of finance may invest any moneys of the
12 State which in the director's judgment are in excess of the
13 amounts necessary for meeting the immediate requirements of the
14 State and where in the director's judgment the action will not
15 impede or hamper the necessary financial operations of the State
16 in:

- 17 (1) Any bonds or interest-bearing notes or obligations:
 - 18 (A) Of the State (including state director of
 - 19 finance's warrant notes issued pursuant to
 - 20 chapter 40);
 - 21 (B) Of the United States;

- 1 (C) For which the faith and credit of the United
2 States are pledged for the payment of principal
3 and interest;
- 4 (2) Federal Farm Credit System notes and bonds;
- 5 (3) Federal Agricultural Mortgage Corporation notes and
6 bonds;
- 7 (4) Federal Home Loan Bank notes and bonds;
- 8 (5) Federal Home Loan Mortgage Corporation bonds;
- 9 (6) Federal National Mortgage Association notes and bonds;
- 10 (7) Student Loan Marketing Association notes and bonds;
- 11 (8) Tennessee Valley Authority notes and bonds;
- 12 (9) Securities of a mutual fund whose portfolio is limited
13 to bonds or securities issued or guaranteed by the
14 United States or an agency thereof or repurchase
15 agreements fully collateralized by any such bonds or
16 securities;
- 17 (10) Securities of a money market mutual fund that is rated
18 AAA, or its equivalent, by a nationally recognized
19 rating agency or whose portfolio consists of
20 securities that are rated as first tier securities by
21 a nationally recognized statistical rating

1 organization as provided in 17 Code of Federal
2 Regulations section 270.2a-7;

3 (11) Federally insured savings accounts;

4 (12) Time certificates of deposit;

5 (13) Certificates of deposit open account;

6 (14) Repurchase agreements with federally insured banks,
7 savings and loan associations, and financial services
8 loan companies;

9 (15) Student loan resource securities including:

10 (A) Student loan auction rate securities;

11 (B) Student loan asset-backed notes;

12 (C) Student loan program revenue notes and bonds; and

13 (D) Securities issued pursuant to Rule 144A of the
14 Securities Act of 1933, including any private
15 placement issues;

16 issued with either bond insurance or
17 overcollateralization guaranteed by the United States
18 Department of Education; provided all insurers
19 maintain a triple-A rating by Standard & Poor's,
20 Moody's, Duff & Phelps, Fitch, or any other major
21 national securities rating agency;

1 (16) Commercial paper with an A1/P1 or equivalent rating by
2 any national securities rating service; and

3 (17) Bankers' acceptances with an A1/P1 or equivalent
4 rating by any national securities rating service;

5 provided that the investments are due to mature not more than
6 five years from the date of investment. Income derived from
7 those investments shall be a realization of the general fund;
8 provided that, except as provided by Act _____, Session Laws
9 of 2009, income earned from moneys invested by the general
10 funds, special funds, bond funds, and trust and agency funds on
11 an investment pool basis shall be paid into and credited to the
12 respective funds based on the contribution of moneys into the
13 investment pool by each fund. As used in this section,
14 "investment pool" means the aggregate of state treasury moneys
15 that are maintained in the custody of the director of finance
16 for investment and reinvestment without regard to fund
17 designation."

18 SECTION 56. On June 30, 2015, the amendment made by this
19 Act to section 36-21, Hawaii Revised Statutes, shall be
20 repealed. The repeal of the amendment shall not affect any
21 other amendment made to the section that becomes effective
22 between July 1, 2009, and June 30, 2015.

1 SECTION 57. This part shall take effect on July 1, 2009,
2 and shall be repealed on July 1, 2015; provided that section 36-
3 21, Hawaii Revised Statutes, shall be reenacted in the form in
4 which it existed on the day before the effective date of this
5 Act.

6 PART V

7 SECTION 58. The purpose of this Act is to:

- 8 (1) Temporarily suspend the distribution of a portion of
9 the conveyance tax to the land conservation fund; and
10 (2) Temporarily reduce the portions of the conveyance tax
11 distributed to the rental housing trust fund and
12 natural area reserve fund.

13 SECTION 59. Section 173A-5, Hawaii Revised Statutes, is
14 amended by amending subsection (d) to read as follows:

15 "(d) [~~Ten per cent~~] The appropriate percentage identified
16 under section 247-7 of all taxes imposed and collected [~~by~~
17 ~~section 247-1~~] under chapter 247 shall be deposited in or
18 credited to the fund every fiscal year."

19 SECTION 60. Section 247-7, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "**§247-7 Disposition of taxes.** All taxes collected under
22 this chapter shall be paid into the state treasury to the credit

1 of the general fund of the State, to be used and expended for
2 the purposes for which the general fund was created and exists
3 by law; provided that of the taxes collected each fiscal year:

4 (1) [~~Ten~~] None from July 1, 2009, until June 30, 2015, and
5 ten per cent in each fiscal year thereafter shall be
6 paid into the land conservation fund established
7 pursuant to section 173A-5;

8 (2) [~~Thirty~~] Fifteen per cent from July 1, 2009, until
9 June 30, 2015, and thirty per cent in each fiscal year
10 thereafter shall be paid into the rental housing trust
11 fund established by section 201H-202; and

12 (3) [~~Twenty-five~~] Ten per cent from July 1, 2009, until
13 June 30, 2015, and twenty-five per cent in each fiscal
14 year thereafter shall be paid into the natural area
15 reserve fund established by section 195-9; provided
16 that the funds paid into the natural area reserve fund
17 shall be annually disbursed by the department of land
18 and natural resources in the following priority:

19 (A) To natural area partnership and forest
20 stewardship programs after joint consultation
21 with the forest stewardship committee and the
22 natural area reserves system commission;

