
A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

1 SECTION 1. Many unprecedented events have converged to
2 create an economic, financial, and fiscal environment that
3 threatens the very foundation of our national economy. Problems
4 that arose in the national housing sector and sub-prime mortgage
5 market last year have radiated from Wall Street to Main Street.
6 Across the United States, the result has been increasing
7 business bankruptcies and closures, lower consumer confidence
8 and spending, and job losses and rising unemployment.

9 For state governments, the financial crisis and economic
10 downturn have adversely impacted tax revenues and budgets. Most
11 states, like Hawaii, rely on income and sales taxes as their
12 main sources of revenues. The slowdown in employment and
13 consumer spending has reduced state revenues nationwide at a
14 time when operating costs continue to rise.

15 Hawaii is experiencing a severe contraction in its visitor,
16 retail, and construction industries. As a consequence, the
17 council on revenues has revised its revenue projections downward

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

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

18 The purpose of this Act is to address the budget shortfall
19 by transferring a total of \$ from the deposit beverage
20 container deposit special fund to the general fund for fiscal
21 year 2009-2010.

1 SECTION 2. Section 342G-102, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) Beginning January 1, 2005, and every August 1
4 thereafter, the department shall notify deposit beverage
5 distributors in writing of the amount of the deposit beverage
6 container fee. The effective date of changes to the fee amount
7 shall be September 1. ~~[The fee]~~ Reasonable deposit beverage
8 container fees shall be ~~[based on the redemption rate calculated~~
9 ~~annually based on the redemption rate information submitted to~~
10 ~~the department for the previous period of July 1 through June~~
11 ~~30. The fee amount shall be as follows:~~

12 ~~(1) If the redemption rate is seventy per cent or less: 1~~
13 ~~cent per container; and~~
14 ~~(2) If the redemption rate is greater than seventy per~~
15 ~~cent: 1.5 cents per container.] set by the governor."~~

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

18 "(c) Any funds that accumulate in the deposit beverage
19 container deposit special fund shall be retained in the fund
20 unless determined by the ~~[auditor]~~ legislature to be in excess~~[7~~
21 ~~after adjustments to the deposit beverage fee, pursuant to the~~

1 ~~management and financial audits conducted in accordance with~~
2 ~~Section 342G-107]."~~

3 SECTION 4. The legislature determines that there is in the
4 deposit beverage container deposit special fund at least
5 \$ in excess of the requirements of the fund. On July
6 1, 2009, the director of finance is authorized to transfer from
7 the deposit beverage container deposit special fund to the
8 general fund the sum of \$ or so much thereof as may be
9 necessary for fiscal year 2009-2010.

10 SECTION 5. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 6. This Act shall take effect upon its approval.

Report Title:

Transfer of Non-General Funds

Description:

Transfers excess balance from the deposit beverage container special fund to the general fund to address the budget shortfall in fiscal biennium 2009-2011; authorizes the administration to set reasonable deposit beverage container fees. (SD1)