
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. Section 37-40, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§37-40 Exceptions; trust funds.** Except as to
4 administrative expenditures, and except as otherwise provided by
5 law, expenditures from trust funds may be made by any department
6 or establishment without appropriation or allotment; provided
7 that no expenditure shall be made from and no obligation shall
8 be incurred against any trust fund in excess of the amount
9 standing to the credit of the fund or for any purpose for which
10 the fund may not lawfully be expended[-], except that
11 obligations in excess of the amount standing to the credit of a
12 department of Hawaiian home lands trust fund may be incurred,
13 subject to conditions that the director of finance believes to
14 be reasonably necessary, when the director of finance determines
15 that:
16 (1) Moneys to pay the obligation made in excess of the
17 amount standing to the credit of the trust fund are



1 expected to be received by the trust fund within a
2 reasonable time period; and

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

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

8 SECTION 2. Section 103D-309, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Contracts awarded pursuant to section 103D-302, 103D-
11 303, or 103D-306, shall neither be binding nor have any force
12 and effect of law unless the comptroller, the director of
13 finance of a county, or the respective chief financial officers
14 of the department of education, the judiciary, or the
15 legislative branches of the State or county, as the case may be,
16 endorses thereon a certificate that there is an appropriation or
17 balance of an appropriation over and above all outstanding
18 contracts, sufficient to cover the amount required by the
19 contract; provided that if the contract is a multi-term
20 contract, the comptroller, director of finance, or chief
21 financial officer shall only be required to certify that there
22 is an appropriation or balance of an appropriation over and



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

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2020.



Report Title:

Department of Hawaiian Home Lands; Obligation of Funds

Description:

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 July 1, 2020. (HB1015 HD1)

