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# A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

1 PART I

2 SECTION 1. The severe recession of 2008 swept across the  
3 nation and many parts of the world with unanticipated force and  
4 brought with it enormous challenges for governments at all  
5 levels. Its effects on businesses and employment are still  
6 being felt today, including a profound impact on Hawaii in terms  
7 of tax revenues and the state budget.

8 The legislature finds that due to the extraordinary fiscal  
9 circumstances the State is facing, non-general funds must be  
10 reviewed and scrutinized to determine if there are excess  
11 balances available to help address the critical budget shortfall  
12 in fiscal year 2010-2011.

13 The purpose of this Act is to help address the fiscal year  
14 2010-2011 budget shortfall by transferring excess balances from  
15 various non-general funds into the State's general fund.

16 SECTION 2. The legislature determines that there is in the  
17 agricultural loan reserve fund at least \$1,000,000 in excess of  
18 the requirements of the fund. On July 1, 2010, the director of



1 finance is authorized to transfer from the agricultural loan  
2 reserve fund to the general fund the sum of \$1,000,000 or so  
3 much thereof as may be necessary for fiscal year 2010-2011.

4 SECTION 3. The legislature determines that there is in the  
5 state motor pool revolving fund at least \$1,500,000 in excess of  
6 the requirements of the fund. On July 1, 2010, the director of  
7 finance is authorized to transfer from the state motor pool  
8 revolving fund to the general fund the sum of \$1,500,000 or so  
9 much thereof as may be necessary for fiscal year 2010-2011.

10 SECTION 4. The legislature determines that there is in the  
11 state risk management revolving fund at least \$2,000,000 in  
12 excess of the requirements of the fund. On July 1, 2010, 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 \$2,000,000 or so much thereof as may be necessary for fiscal  
16 year 2010-2011.

17 SECTION 5. The legislature determines that there is in the  
18 stadium special fund at least \$2,000,000 in excess of the  
19 requirements of the fund. On July 1, 2010, 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 2010-2011.



1 SECTION 6. The legislature determines that there is in the  
2 medicaid investigations recovery fund at least \$1,500,000 in  
3 excess of the requirements of the fund. On July 1, 2010, the  
4 director of finance is authorized to transfer from the medicaid  
5 investigations recovery fund to the general fund the sum of  
6 \$1,500,000 or so much thereof as may be necessary for fiscal  
7 year 2010-2011.

8 SECTION 7. The legislature determines that there is in the  
9 Hawaii community development revolving fund, at least \$1,000,000  
10 in excess of the requirements of the fund. On July 1, 2010, the  
11 director of finance is authorized to transfer from the Hawaii  
12 community development revolving fund to the general fund the sum  
13 of \$1,000,000 or so much thereof as may be necessary for fiscal  
14 year 2010-2011.

15 SECTION 8. The legislature determines that there is in the  
16 convention center enterprise special fund at least \$2,000,000 in  
17 excess of the requirements of the fund. On July 1, 2010, the  
18 director of finance is authorized to transfer from the  
19 convention center enterprise special fund to the general fund  
20 the sum of \$2,000,000 or so much thereof as may be necessary for  
21 fiscal year 2010-2011.

1 SECTION 9. The legislature determines that there is in the  
2 foreign trade zones special fund at least \$300,000 in excess of  
3 the requirements of the fund. On July 1, 2010, the director of  
4 finance is authorized to transfer from the foreign trade zones  
5 special fund to the general fund the sum of \$300,000 or so much  
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 10. The legislature determines that there is in  
8 the compliance resolution fund - business registration fund  
9 account at least \$1,500,000 in excess of the requirements of the  
10 fund account. On July 1, 2010, the director of finance is  
11 authorized to transfer from the compliance resolution fund -  
12 business registration fund account to the general fund the sum  
13 of \$1,500,000 or so much thereof as may be necessary for fiscal  
14 year 2010-2011.

15 SECTION 11. The legislature determines that there is in  
16 the department of commerce and consumer affairs special drivers  
17 education fund account at least \$1,400,000 in excess of the  
18 requirements of the fund account. On July 1, 2010, the director  
19 of finance is authorized to transfer from the special drivers  
20 education fund account to the general fund the sum of \$1,400,000  
21 or so much thereof as may be necessary for fiscal year 2010-  
22 2011.



1 SECTION 12. The legislature determines that there is in  
2 the loss mitigation grant fund at least \$3,200,000 in excess of  
3 the requirements of the fund. On July 1, 2010, the director of  
4 finance is authorized to transfer from the loss mitigation grant  
5 fund to the general fund the sum of \$3,200,000 or so much  
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 13. The legislature determines that there is in  
8 the department of education drivers education fund account at  
9 least \$1,000,000 in excess of the requirements of the fund  
10 account. On July 1, 2010, the director of finance is authorized  
11 to transfer from the drivers education fund account to the  
12 general fund the sum of \$1,000,000 or so much thereof as may be  
13 necessary for fiscal year 2010-2011.

14 SECTION 14. The legislature determines that there is in  
15 the deposit beverage container deposit special fund at least  
16 \$1,000,000 in excess of the requirements of the fund. On July  
17 1, 2010, the director of finance is authorized to transfer from  
18 the deposit beverage container deposit special fund to the  
19 general fund the sum of \$1,000,000 or so much thereof as may be  
20 necessary for fiscal year 2010-2011.

21 SECTION 15. The legislature determines that there is in  
22 the Hawaii tobacco settlement special fund at least \$7,200,000



1 in excess of the requirements of the fund. On July 1, 2010, the  
2 director of finance is authorized to transfer from the Hawaii  
3 tobacco settlement special fund to the general fund the sum of  
4 \$7,200,000 or so much thereof as may be necessary for fiscal  
5 year 2010-2011.

6 SECTION 16. The legislature determines that there is in  
7 the neurotrauma special fund at least \$1,000,000 in excess of  
8 the requirements of the fund. On July 1, 2010, the director of  
9 finance is authorized to transfer from the neurotrauma special  
10 fund to the general fund the sum of \$1,000,000 or so much  
11 thereof as may be necessary for fiscal year 2010-2011.

12 SECTION 17. The legislature finds that there is in the  
13 special fund for disability benefits over \$7,000,000  
14 attributable to compound interest and penalties that have been  
15 collected by the fund since its inception. The legislature  
16 determines that there is in the special fund for disability  
17 benefits at least \$7,000,000 in excess of the requirements of  
18 the fund. On July 1, 2010, the director of finance is  
19 authorized to transfer from the special fund for disability  
20 benefits to the general fund the sum of \$7,000,000 or so much  
21 thereof as may be necessary for fiscal year 2010-2011.



1 SECTION 18. The legislature determines that there is in  
2 the land conservation fund at least \$1,000,000 in excess of the  
3 requirements of the fund. On July 1, 2010, the director of  
4 finance is authorized to transfer from the land conservation  
5 fund to the general fund the sum of \$1,000,000 or so much  
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 19. The legislature determines that there is in  
8 the natural area reserve fund at least \$500,000 in excess of the  
9 requirements of the fund. On July 1, 2010, the director of  
10 finance is authorized to transfer from the natural area reserve  
11 fund to the general fund the sum of \$500,000 or so much thereof  
12 as may be necessary for fiscal year 2010-2011.

13 SECTION 20. The legislature determines that there is in  
14 the federal reimbursement maximization special fund at least  
15 \$500,000 in excess of the requirements of the fund. On July 1,  
16 2010, the director of finance is authorized to transfer from the  
17 federal reimbursement maximization special fund to the general  
18 fund the sum of \$500,000 or so much thereof as may be necessary  
19 for fiscal year 2010-2011.

20 SECTION 21. The legislature determines that there is in  
21 the University of Hawaii housing assistance revolving fund at  
22 least \$2,000,000 in excess of the requirements of the fund. On



1 July 1, 2010, the director of finance is authorized to transfer  
2 from the University of Hawaii housing assistance revolving fund  
3 to the general fund the sum of \$2,000,000 or so much thereof as  
4 may be necessary for fiscal year 2010-2011.

5 SECTION 22. The legislature determines that there is in  
6 the university revenue-undertakings fund at least \$2,500,000 in  
7 excess of the requirements of the fund. On July 1, 2010, the  
8 director of finance is authorized to transfer from the  
9 university revenue-undertakings fund to the general fund the sum  
10 of \$2,500,000 or so much thereof as may be necessary for fiscal  
11 year 2010-2011.

12 SECTION 23. The legislature determines that there is in  
13 the University of Hawaii research and training revolving fund at  
14 least \$400,000 in excess of the requirements of the fund. On  
15 July 1, 2010, the director of finance is authorized to transfer  
16 from the University of Hawaii research and training revolving  
17 fund to the general fund the sum of \$400,000 or so much thereof  
18 as may be necessary for fiscal year 2010-2011.

19 SECTION 24. The legislature determines that there is in  
20 the judiciary computer system special fund at least \$2,000,000  
21 in excess of the requirements of the fund. On July 1, 2010, the  
22 director of finance is authorized to transfer from the judiciary





1 computer system special fund to the general fund the sum of  
2 \$2,000,000 or so much thereof as may be necessary for fiscal  
3 year 2010-2011.

4 SECTION 25. The legislature determines that there is in  
5 the driver education and training fund, under the judiciary, at  
6 least \$1,500,000 in excess of the requirements of the fund. On  
7 July 1, 2010, the director of finance is authorized to transfer  
8 from the driver education and training fund to the general fund  
9 the sum of \$1,500,000 or so much thereof as may be necessary for  
10 fiscal year 2010-2011.

11 SECTION 26. The legislature determines that there is in  
12 the disaster loan revolving fund at least \$1,000,000 in excess  
13 of the requirements of the fund. On July 1, 2010, the director  
14 of finance is authorized to transfer from the disaster loan  
15 revolving fund to the general fund the sum of \$1,000,000 or so  
16 much thereof as may be necessary for fiscal year 2010-2011.

17 PART II

18 SECTION 27. Section 235-110.6, Hawaii Revised Statutes, is  
19 amended by amending subsection (c) to read as follows:

20 "(c) The tax credit claimed under this section by the  
21 principal operator shall be deductible from the principal  
22 operator's individual or corporate income tax liability, if any,



1 for the tax year in which the credit is properly claimed;  
2 provided that a husband and wife filing separate returns for a  
3 taxable year for which a joint return could have been made by  
4 them shall claim only the tax credit to which they would have  
5 been entitled had a joint return been filed. If the tax credit  
6 claimed by the principal operator under this section exceeds the  
7 amount of the income tax payments due from the principal  
8 operator, the excess of credit over payments due shall be  
9 refunded to the principal operator[+] from the state highway  
10 fund; provided that the tax credit properly claimed by a  
11 principal operator who has no income tax liability shall be paid  
12 to the principal operator[+] from the state highway fund; and  
13 provided further no refunds or payments on account of the tax  
14 credit allowed by this section shall be made for amounts less  
15 than \$1."

## PART III

17 SECTION 28. Section 245-15, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "**§245-15 Disposition of revenues.** All moneys collected  
20 pursuant to this chapter shall be paid into the state treasury  
21 as state realizations to be kept and accounted for as provided



1 by law; provided that, of the moneys collected under the tax  
2 imposed pursuant to:

3 (1) Section 245-3(a)(5), after September 30, 2006, and  
4 prior to October 1, 2007, 1.0 cent per cigarette shall  
5 be deposited to the credit of the Hawaii cancer  
6 research special fund, established pursuant to section  
7 304A-2168, for research and operating expenses and for  
8 capital expenditures;

9 (2) Section 245-3(a)(6), after September 30, 2007, and  
10 prior to October 1, 2008:

11 (A) 1.5 cents per cigarette shall be deposited to the  
12 credit of the Hawaii cancer research special  
13 fund, established pursuant to section 304A-2168,  
14 for research and operating expenses and for  
15 capital expenditures;

16 (B) 0.25 cents per cigarette shall be deposited to  
17 the credit of the trauma system special fund  
18 established pursuant to section 321-22.5; and

19 (C) 0.25 cents per cigarette shall be deposited to  
20 the credit of the emergency medical services  
21 special fund established pursuant to section  
22 321-234;



1 (3) Section 245-3(a)(7), after September 30, 2008, and  
2 prior to July 1, 2009:

3 (A) 2.0 cents per cigarette shall be deposited to the  
4 credit of the Hawaii cancer research special  
5 fund, established pursuant to section 304A-2168,  
6 for research and operating expenses and for  
7 capital expenditures;

8 (B) 0.5 cents per cigarette shall be deposited to the  
9 credit of the trauma system special fund  
10 established pursuant to section 321-22.5;

11 (C) 0.25 cents per cigarette shall be deposited to  
12 the credit of the community health centers  
13 special fund established pursuant to section  
14 321-1.65; and

15 (D) 0.25 cents per cigarette shall be deposited to  
16 the credit of the emergency medical services  
17 special fund established pursuant to section  
18 321-234;

19 (4) Section 245-3(a)(8), after June 30, 2009, and prior to  
20 July 1, [~~2010~~] 2013:

21 (A) 2.0 cents per cigarette shall be deposited to the  
22 credit of the Hawaii cancer research special



1 fund, established pursuant to section 304A-2168,  
2 for research and operating expenses and for  
3 capital expenditures;

4 (B) 0.75 cents per cigarette shall be deposited to  
5 the credit of the trauma system special fund  
6 established pursuant to section 321-22.5;

7 (C) 0.75 cents per cigarette shall be deposited to  
8 the credit of the community health centers  
9 special fund established pursuant to section  
10 321-1.65; and

11 (D) 0.5 cents per cigarette shall be deposited to the  
12 credit of the emergency medical services special  
13 fund established pursuant to section 321-234;

14 and

15 ~~[-(5) Section 245-3(a)(10), after June 30, 2010, and prior~~  
16 ~~to July 1, 2011.~~

17 ~~(A) 2.0 cents per cigarette shall be deposited to the~~  
18 ~~credit of the Hawaii cancer research special~~  
19 ~~fund, established pursuant to section 304A-2168,~~  
20 ~~for research and operating expenses and for~~  
21 ~~capital expenditures;~~



1           ~~(B) 1.0 cent per cigarette shall be deposited to the~~  
2           ~~credit of the trauma system special fund~~  
3           ~~established pursuant to section 321-22.5;~~

4           ~~(C) 1.0 cent per cigarette shall be deposited to the~~  
5           ~~credit of the community health centers special~~  
6           ~~fund established pursuant to section 321-1.65;~~  
7           ~~and~~

8           ~~(D) 1.0 cent per cigarette shall be deposited to the~~  
9           ~~credit of the emergency medical services special~~  
10          ~~fund established pursuant to section 321-234; and~~

11          ~~(6)]~~ (5) Section 245-3(a)(11), after June 30, ~~[2011,]~~  
12          2013, and thereafter:

13           (A) 2.0 cents per cigarette shall be deposited to the  
14           credit of the Hawaii cancer research special  
15           fund, established pursuant to section 304A-2168,  
16           for research and operating expenses and for  
17           capital expenditures;

18           (B) 1.5 cents per cigarette shall be deposited to the  
19           credit of the trauma system special fund  
20           established pursuant to section 321-22.5;

21           (C) 1.25 cents per cigarette shall be deposited to  
22           the credit of the community health centers



1 special fund established pursuant to section  
2 321-1.65; and  
3 (D) 1.25 cents per cigarette shall be deposited to  
4 the credit of the emergency medical services  
5 special fund established pursuant to section  
6 321-234.

7 The department shall provide an annual accounting of these  
8 dispositions to the legislature."

9 SECTION 29. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 30. This Act shall take effect on July 1, 2010.



**Report Title:**

Transfer of Non-general Funds; Fuel Tax Credit.

**Description:**

Addresses the fiscal year 2010-2011 budget shortfall by transferring to the general fund various amounts of excess balances from certain special funds; amends the refundable credit of the Fuel Tax Credit for Commercial Fishers to be paid from the State Highway Fund. (HB2542 CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

