

IAN 25 2010

A BILL FOR AN ACT

RELATING TO A MAJOR DISASTER TRUST ACCOUNT.

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

1 SECTION 1. During a disaster, the state civil defense
2 division of the department of defense advances payments for
3 disaster relief out of the major disaster fund, which is usually
4 supplemented by department of defense operating funds and
5 general fund moneys, until it is reimbursed by the federal
6 emergency management agency. However, reimbursements can take
7 up to a year or more. Moreover, federal reimbursements received
8 after June 30 are lapsed into the general fund of the State,
9 which places further strain on the department's already tight
10 budget.

11 Allowing federal reimbursements to be held in a trust
12 account would ensure that it does not lapse at the end of the
13 fiscal year, which means the department would no longer have to
14 use operating funds for emergency disaster relief.

15 The purpose of this Act is to allow federal reimbursement
16 moneys for disaster relief to be deposited into a trust account
17 for disaster relief.

S.B. NO. 2702

1 SECTION 2. Section 127-11, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§127-11 Major disaster fund.** (a) The director shall
4 submit requests to the legislature to appropriate from the
5 general revenues of the State sufficient moneys as may be
6 necessary for expenditure by or under the direction of the
7 governor for immediate relief in the event of the occurrence of
8 any major disaster in any part of the State; provided that:

9 (1) The governor may not expend in excess of \$2,000,000 for
10 immediate relief of any single major disaster or
11 emergency; and

12 (2) In addition to the funds in paragraph (1), an
13 additional \$2,000,000 shall be available solely for the
14 purpose of matching federal disaster relief funds when
15 these funds become available following a presidential
16 disaster declaration.

17 In expending the moneys, the governor may allot any portion
18 thereof to any agency, office, or employee, federal, state, or
19 county, for the more speedy and efficient relief of the
20 conditions created by the disasters. The governor may determine
21 whether a major disaster contemplated by this section has
22 occurred.

23 (b) Federal reimbursement moneys for disaster relief shall
24 be deemed to be trust moneys and may be deposited into a trust
25 account with and under the control of the department of defense.

S.B. NO. 2702

1 These moneys and any interest earned thereon shall be used for
2 the purpose identified in subsection (a)."

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$500,000 or so much
5 thereof as may be necessary for fiscal year 2010-2011 for
6 deposit into the trust account identified in section 2 of this
7 Act. The sum appropriated shall be expended by the department
8 of defense for the purposes of this Act.

9 SECTION 4. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2010.

11

12

INTRODUCED BY: _____

~~_____~~
BY REQUEST

13

Report Title:

Major Disaster Trust Account; Federal Reimbursements

Description:

Allows federal reimbursement moneys for disaster relief to be deposited into a trust account for future disaster relief.

JUSTIFICATION SHEET

DEPARTMENT: Defense

TITLE: A BILL FOR AN ACT RELATING TO A MAJOR DISASTER TRUST ACCOUNT.

PURPOSE: To allow federal reimbursement moneys for disaster relief to be deposited into a trust account for disaster relief.

MEANS: Add a new section to chapter 127, Hawaii Revised Statutes.

JUSTIFICATION: During a disaster, the State Civil Defense division of the Department of Defense advances payments for disaster relief out of the Major Disaster Fund, which is usually supplemented by Department of Defense operating funds and general fund moneys, until it is reimbursed by the Federal Emergency Management Agency (FEMA). However, reimbursements can take up to a year or more. Moreover, FEMA reimbursements received after June 30 are lapsed into the general fund of the State, which places further strain on the Department's already tight budget.

Allowing FEMA reimbursements to be held in a trust account would ensure that it does not lapse at the end of the fiscal year, which means the department would no longer have to use operating funds for emergency disaster relief. The establishment of this account is necessary to ensure dedicated funding is available for disaster relief.

Impact on the public: None.

Impact on the department and other agencies: In the event of a major disaster, the Department of Defense will not have to use its own operating funds for disaster relief. Rather, the trust account will be a dedicated source of funding.

GENERAL FUND: \$500,000 for fiscal year 2010-2011.

OTHER FUNDS: None.

SB. NO. 2702

PPBS PROGRAM
DESIGNATION:

None.

OTHER AFFECTED
AGENCIES:

Department of Budget and Finance.

EFFECTIVE DATE:

July 1, 2010.