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## A BILL FOR AN ACT

RELATING TO FUNDS.

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

1           SECTION 1. The purpose of this Act is to repeal the  
2 provisions that except certain special funds from assessments  
3 for central service and departmental administrative expenses.

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

- 6           (1) The Hawaii hurricane relief fund because, under  
7           current statute, all interest earned on moneys in the  
8           fund is already transferred to the general fund;
- 9           (2) The convention center enterprise special fund and  
10           tourism special fund because a portion of the  
11           transient accommodations tax, the revenue source for  
12           those special funds, already is transmitted to the  
13           general fund; and
- 14           (3) The tourism special fund.

15           SECTION 2. Section 21D-5, Hawaii Revised Statutes, is  
16 amended to read as follows:

17           "~~§~~21D-5~~§~~ **Hawaii legislative publications special**  
18 **fund; established.** (a) There is established a Hawaii



1 legislative publications special fund within the treasury of the  
2 State into which shall be deposited:

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

11 All interest accrued by the revenues of the fund shall  
12 become part of the fund.

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

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

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



1 SECTION 3. Section 36-27, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§36-27 Transfers from special funds for central service**  
4 **expenses.** Except [~~as provided in this section,~~] for the Hawaii  
5 hurricane relief fund established under section 431P-2,  
6 convention center enterprise special fund established under  
7 section 201B-8, and tourism special fund established under  
8 section 201B-11, and notwithstanding any other law to the  
9 contrary, from time to time, the director of finance, for the  
10 purpose of defraying the prorated estimate of central service  
11 expenses of government [~~in relation to all special funds, except~~  
12 ~~the:~~

- 13 ~~(1) Special out-of-school time instructional program fund~~  
14 ~~under section 302A-1310;~~
- 15 ~~(2) School cafeteria special funds of the department of~~  
16 ~~education;~~
- 17 ~~(3) Special funds of the University of Hawaii;~~
- 18 ~~(4) State educational facilities improvement special fund;~~
- 19 ~~(5) Convention center enterprise special fund under~~  
20 ~~section 201B-8;~~
- 21 ~~(6) Special funds established by section 206E-6;~~
- 22 ~~(7) Housing loan program revenue bond special fund;~~



- 1       ~~(8) Housing project bond special fund;~~
- 2       ~~(9) Aloha Tower fund created by section 206J-17;~~
- 3       ~~(10) Funds of the employees' retirement system created by~~  
4           ~~section 88-109;~~
- 5       ~~(11) Unemployment compensation fund established under~~  
6           ~~section 383-121;~~
- 7       ~~(12) Hawaii hurricane relief fund established under chapter~~  
8           ~~431P;~~
- 9       ~~(13) Hawaii health systems corporation special funds and~~  
10           ~~the subaccounts of its regional system boards;~~
- 11       ~~(14) Tourism special fund established under section~~  
12           ~~201B-11;~~
- 13       ~~(15) Universal service fund established under chapter 269;~~
- 14       ~~(16) Emergency and budget reserve fund under section~~  
15           ~~328L-3;~~
- 16       ~~(17) Public schools special fees and charges fund under~~  
17           ~~section 302A-1130(f);~~
- 18       ~~(18) Sport fish special fund under section 187A-9.5;~~
- 19       ~~(19) Neurotrauma special fund under section 321H-4;~~
- 20       ~~(20) Deposit beverage container deposit special fund under~~  
21           ~~section 342G-104;~~



- 1       ~~(21) Glass advance disposal fee special fund established by~~  
2           ~~section 342G-82;~~
- 3       ~~(22) Center for nursing special fund under section 304A-~~  
4           ~~2163;~~
- 5       ~~(23) Passenger facility charge special fund established by~~  
6           ~~section 261-5.5;~~
- 7       ~~(24) Solicitation of funds for charitable purposes special~~  
8           ~~fund established by section 467B-15;~~
- 9       ~~(25) Land conservation fund established by section 173A-5;~~
- 10       ~~(26) Court interpreting services revolving fund under~~  
11           ~~section 607-1.5;~~
- 12       ~~(27) Trauma system special fund under section 321-22.5;~~
- 13       ~~(28) Hawaii cancer research special fund;~~
- 14       ~~(29) Community health centers special fund; and~~
- 15       ~~(30) Emergency medical services special fund;],~~

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



1 to be calculated, the director shall adopt rules pursuant to  
 2 chapter 91 for the purpose of suspending or limiting the  
 3 application of the central service assessment of any fund. No  
 4 later than twenty days prior to the convening of each regular  
 5 session of the legislature, the director shall report all  
 6 central service assessments made during the preceding fiscal  
 7 year."

8 SECTION 4. Section 36-30, Hawaii Revised Statutes, is  
 9 amended by amending subsection (a) to read as follows:

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



- 1       ~~(9) Unemployment compensation fund established under~~
- 2           ~~section 383-121;~~
- 3       ~~(10)] Except for the Hawaii hurricane relief fund~~
- 4           ~~established under [chapter 431P;~~
- 5       ~~(11) Convention] section 431P-2, convention center~~
- 6           ~~enterprise special fund established under section~~
- 7           ~~201B-8[;~~
- 8       ~~(12) Hawaii health systems corporation special funds and~~
- 9           ~~the subaccounts of its regional system boards;~~
- 10       ~~(13) Tourism], and tourism special fund established under~~
- 11           ~~section 201B-11[;~~
- 12       ~~(14) Universal service fund established under chapter 269;~~
- 13       ~~(15) Emergency and budget reserve fund under section~~
- 14           ~~328L-3;~~
- 15       ~~(16) Public schools special fees and charges fund under~~
- 16           ~~section 302A-1130(f);~~
- 17       ~~(17) Sport fish special fund under section 187A-9.5;~~
- 18       ~~(18) Neurotrauma special fund under section 321H-4;~~
- 19       ~~(19) Center for nursing special fund under section 304A-~~
- 20           ~~2163;~~
- 21       ~~(20) Passenger facility charge special fund established by~~
- 22           ~~section 261-5.5;~~



- 1       ~~(21) Court interpreting services revolving fund under~~  
2           ~~section 607-1.5;~~
- 3       ~~(22) Trauma system special fund under section 321-22.5;~~
- 4       ~~(23) Hawaii cancer research special fund;~~
- 5       ~~(24) Community health centers special fund;~~
- 6       ~~(25) Emergency medical services special fund; and~~
- 7       ~~(26) Rental motor vehicle customer facility charge special~~  
8           ~~fund established under section 261-——,]~~

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

13       SECTION 5. Section 201-85, Hawaii Revised Statutes, is  
14       amended to read as follows:

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





1 department shall set the duties, responsibilities, salaries,  
2 holidays, vacations, leaves, hours of work, and working  
3 conditions for these employees. Subject to the approval of the  
4 director of budget and finance, the department may be exempted  
5 from the following state laws only to the extent necessary for  
6 the conduct of its business in operating out-of-state offices:

- 7 ~~[-(1) Sections 36-27 and 36-30, relating to special fund~~  
8 ~~transfers and reimbursements to the general fund;~~
- 9 ~~[-2)]~~ (1) Chapter 36, relating to management of state funds;
- 10 ~~[-3)]~~ (2) Chapter 38, relating to deposits of public funds;
- 11 ~~[-4)]~~ (3) Chapter 40, relating to audit and accounting,  
12 except that the department shall comply with section  
13 40-81;
- 14 ~~[-5)]~~ (4) Chapter 76, relating to civil service;
- 15 ~~[-6) Chapter 77, relating to compensation;~~
- 16 ~~[-7)]~~ (5) Section 78-1, relating to public employment,  
17 except when expressly hiring personnel subject to  
18 section 78-1; and
- 19 ~~[-8)]~~ (6) Section 171-30, relating to acquisition of real  
20 property.

21 All moneys necessary for the establishment and operation of  
22 out-of-state offices shall be allocated by the legislature



1 through appropriations out of the state general fund. The  
 2 department shall include in its budgetary request for each  
 3 upcoming fiscal period, the amounts necessary to effectuate the  
 4 purposes of this section."

5 SECTION 6. Section 304A-3005, Hawaii Revised Statutes, is  
 6 amended to read as follows:

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

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

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

19 [~~(3)]~~ (2) Chapter 76, relating to civil service; and

20 [~~(4)]~~ (3) Section 78-1, relating to public employment."

21 SECTION 7. Section 342D-82, Hawaii Revised Statutes, is  
 22 amended by amending subsection (a) to read as follows:



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

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

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

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



1 SECTION 8. Section 261D-3, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§261D-3 Exempted from reimbursement for departmental~~  
4 ~~administrative expenses. The transportation use special fund is~~  
5 ~~exempted from section 36-30."]~~

6 SECTION 9. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 10. This Act shall take effect on July 1, 2009 and  
9 shall be repealed on June 30, 2015; provided that sections  
10 21D-5, 36-27, 36-30, 201-85, 304A-3005, 342D-82, and 261D-3,  
11 Hawaii Revised Statutes, shall be reenacted in the form in which  
12 they read on June 30, 2009.

13

INTRODUCED BY: Calvin K. King  
JAN 28 2009



**Report Title:**

Special Funds; Central Service and Departmental Administrative  
Expense Exceptions

**Description:**

Subjects all special funds, except the Hawaii hurricane relief  
fund, convention center enterprise special fund, and the tourism  
special fund, to assessments for central service and  
departmental administrative expenses. Repealed on 6/30/2015.

