
A BILL FOR AN ACT

RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND.

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

1 SECTION 1. Section 328L-3, Hawaii Revised Statutes, is
2 amended by amending subsections (a), (b), and (c) to read as
3 follows:

4 "(a) There is established in the state treasury the
5 emergency and budget reserve fund which shall be a special fund
6 administered by the director of finance, into which shall be
7 deposited:

8 (1) Moneys received from the tobacco settlement moneys
9 under section 328L-2; [~~and~~]

10 (2) Appropriations made by the legislature to the fund[~~-~~];
11 and

12 (3) Five per cent of the state general fund balance at the
13 close of the fiscal year, whenever state general fund
14 revenues for each of two successive fiscal years
15 exceeds revenues for each of the preceding fiscal
16 years by five per cent, pursuant to article VII,
17 section of the Constitution of the State of

1 Hawaii. For the purpose of this section, the general
2 fund balance at the close of the fiscal year shall be
3 calculated before any tax refund or tax credit is
4 authorized by the legislature, pursuant to article
5 VII, section 6 of the Constitution of the State of
6 Hawaii, that is provided during the same regular
7 session as the transfer depositing such moneys to the
8 emergency and budget reserve fund; provided that
9 transfers shall not be made to the emergency and
10 budget reserve fund whenever the balance of the
11 emergency and budget reserve fund is equal to or more
12 than ten per cent of general fund revenues for the
13 preceding fiscal year. The transfer shall be executed
14 by the director of finance.

15 (b) All interest earned from moneys in the emergency and
16 budget reserve fund shall be credited to the [~~general~~] emergency
17 and budget reserve fund.

18 (c) Expenditures from the emergency and budget reserve
19 fund shall be a temporary supplemental source of funding for the
20 State during times of emergency, severe economic downturn, or
21 unforeseen reduction in revenues. No expenditures shall be made
22 from the emergency and budget reserve fund except pursuant to

1 appropriations. The general appropriations bill or the
2 supplemental appropriations bill, as defined in section 9 of
3 article VII of the Constitution of the State of Hawaii, shall
4 not be used to appropriate moneys from the emergency and budget
5 reserve fund. The governor, through an appropriations bill, may
6 recommend expenditures from the emergency and budget reserve
7 fund by setting forth the purposes of the expenditures
8 consistent with subsection (d), the amounts, and the reasons
9 justifying the necessity for the appropriations."

10 SECTION 2. Act 119, Session Laws of Hawaii 2009, is
11 amended by amending section 6 to read as follows:

12 "SECTION 6. This Act shall take effect on July 1, 2009,
13 and shall be repealed on June 30, 2015; provided that [~~section~~]
14 sections 328L-2[~~7~~] and 328L-3, Hawaii Revised Statutes, shall be
15 reenacted in the form in which [~~it~~] they read on the day before
16 the effective date of Act 264, Session Laws of Hawaii 2007."

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 4. This amendment shall take effect upon approval
20 and upon compliance with article XVII, section 3, of the
21 Constitution of the State of Hawaii; provided that the
22 amendments made to section 328L-3, Hawaii Revised Statutes, by

1 section 1 of this Act shall not be repealed when section 328L-3
2 is reenacted on June 30, 2015, pursuant to section 6 of Act 119,
3 Session Laws of Hawaii 2009.

4

Report Title:

Moneys Deposited into Emergency and Budget Reserve Fund; HRS
Amendment and Session Law Amendment

Description:

Allows moneys from the excess general fund balance to be
deposited into the emergency and budget reserve fund as a
temporary source of funding for the State during times of
emergency, severe economic downturn, and unforeseen reduction in
revenues. (SD1)

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