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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. Chapter 37, Hawaii Revised Statutes, is amended  
2 by adding a new section to part III to be appropriately  
3 designated and to read as follows:

4           "§37-           Special and revolving funds; automatic repeal.

5           (a) Unless otherwise provided by the legislature in any law  
6 authorizing the establishment of any special or revolving fund  
7 as the means of financing:

8           (1) All special and revolving funds in existence as of  
9 June 30, 2011, shall be repealed on June 30, 2012; and

10          (2) All special and revolving funds created on or after  
11 July 1, 2011, shall have an effective duration of not  
12 more than five consecutive fiscal years;

13 provided that prior to the repeal of any special or revolving  
14 fund, the administrator of the fund shall deposit to the credit  
15 of the state general fund, all unencumbered and unexpended  
16 balances remaining in the fund.

17          (b) Prior to the regular session immediately preceding the  
18 date of the repeal of any special or revolving fund, the



1 administrator of the fund shall submit to the legislature, the  
2 budgetary request necessary to carry out the functions, duties,  
3 and the operations of the program, activity, or undertaking  
4 previously financed under the proceeds of the special or  
5 revolving fund scheduled for repeal."

6 SECTION 2. Section 23-11, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "[+]§23-11[+] **New special or revolving funds.** (a) Within  
9 five days after the deadline for the introduction of bills in  
10 each legislative session, the clerks of each house of the  
11 legislature shall transmit[7] to the legislative auditor for  
12 analysis, copies of all legislative bills that were introduced  
13 in their respective houses during that session that propose to  
14 establish new special or revolving funds.

15 (b) The criteria to be used by the auditor in analyzing  
16 each legislative bill shall include[7, but not be limited to,]  
17 the extent to which the fund:

- 18 (1) Serves the purpose for which it is being created; and  
19 (2) Reflects a clear link between the benefit sought and  
20 [changes] charges made upon the users or beneficiaries  
21 of the program, as opposed to serving primarily as a  
22 means to provide the program or users with an



1 automatic means of support which is removed from the  
2 normal budget and appropriations process.

3 Each analysis shall set forth the probable effects of the  
4 proposed fund and shall also assess alternative forms of  
5 funding.

6 (c) No later than thirty days prior to the adjournment  
7 sine die of each legislative session, the legislative auditor  
8 shall submit the analysis of each transmitted legislative bill  
9 to each house of the legislature."

10 SECTION 3. If the receipt of federal funds provided to the  
11 state would be jeopardized by the implementation of this Act  
12 with respect to one or more funds, as determined by the attorney  
13 general, then this Act shall be void with respect to that  
14 special fund; provided that his Act shall remain in force with  
15 respect to all other funds.

16 SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2011.

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INTRODUCED BY: John W. ...  
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HB HMS 2011-1371  


**Report Title:**

Special and Revolving Funds; Repeal Provisions

**Description:**

Establishes provisions for automatic repeal of certain special and revolving funds beginning on June 30, 2011. Makes clarifying amendments to provisions pertaining to new special or revolving funds. Effective July 1, 2011.

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

