
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 subsection (a) to read as follows:

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

7 (1) Moneys received from the tobacco settlement moneys
8 under section 328L-2;

9 (2) Appropriations made by the legislature to the fund;
10 and

11 (3) [~~Five~~] Ten per cent of the state general fund balance
12 at the close of the fiscal year, whenever state
13 general fund revenues for each of two successive
14 fiscal years exceeds revenues for each of the
15 preceding fiscal years by five per cent, pursuant to
16 article VII, section 6 of the Hawaii State
17 Constitution. For the purpose of this section, the
18 general fund balance at the close of the fiscal year



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

13 provided that all moneys deposited into the emergency and budget
14 reserve fund under paragraphs (1) and (2) and all moneys
15 deposited under paragraph (3) shall be kept in separate and
16 distinct accounts[-]; provided further that fifty per cent of
17 the moneys deposited under paragraph (3) shall be used to
18 address the unfunded liability of the employees' retirement
19 system."

20 SECTION 2. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect on June 30, 2011;
2 provided that the amendment made to section 328L-3, Hawaii
3 Revised Statutes, by section 1 of this Act shall not be repealed
4 when section 328L-3, Hawaii Revised Statutes, is reenacted on
5 June 30, 2015, pursuant to section 6 of Act 119, Session Laws of
6 Hawaii 2009, as amended by section 2 of Act 138, Session Laws of
7 Hawaii 2010.



Report Title:

Emergency and Budget Reserve Fund; General Fund Balance

Description:

Increases from five per cent to ten per cent the percentage of 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. Requires five per cent of the excess general fund balance to be used to reduce the unfunded liability of the Employees Retirement System. Effective June 30, 2011. (HB564 HD1)

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

