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# A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

**1** **PART I**

**2** **Expired Funds**

**3** SECTION 1. The legislature finds that certain funds,  
**4** established by statutes that have long been repealed, are  
**5** effectively non-functional. The legislature further finds that  
**6** since the statutory purposes for which these funds were  
**7** established have been repealed, these funds have outlived their  
**8** usefulness to the State. Finally, the legislature finds that  
**9** the moneys currently languishing in these funds will serve the  
**10** State more effectively if they are deposited into the general  
**11** fund and, therefore, become accessible to the State.

**12** The purpose of this part is to terminate certain funds for  
**13** which the statutory authority has expired and to deposit the  
**14** residual amounts left in each fund into the general fund.

**15** SECTION 2. On June 30, 2011:

**16** (1) All moneys in the travel agency recovery fund, the  
**17** travel agency education fund, and the patients'  
**18** compensation fund as of June 30, 2011, shall be

1 transferred to the general fund of the State of  
2 Hawaii; and

3 (2) The travel agency recovery fund, the travel agency  
4 education fund, and the patients' compensation fund  
5 shall cease to exist.

6 PART II

7 University of Hawaii

8 SECTION 3. Section 304A-116, Hawaii Revised Statutes, is  
9 amended by amending subsection (b) to read as follows:

10 "(b) The provision of child care services may be supported  
11 with proceeds from the child care programs [~~revolving~~] special  
12 fund established under section [+]304A-2252[+], public funds,  
13 and private grants and gifts to pay for the expenses of  
14 operation, including payment of principal and interest on any  
15 obligations incurred."

16 SECTION 4. Section 304A-2252, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[+]§304A-2252[+] **Child care programs [~~revolving~~] special**  
19 **fund.** There is established a child care programs [~~revolving~~]  
20 special fund for the operation of child care programs  
21 established under section 304A-116 and the construction and  
22 renovation of child care centers established by the University



1 of Hawaii. Fees charged for child care at child care programs,  
2 proceeds from donations to the university for child care  
3 programs, and proceeds from loans or other instruments of  
4 indebtedness for the construction or renovation of child care  
5 centers shall be deposited into the [~~revolving~~] special fund.  
6 Expenditures from the [~~revolving~~] special fund shall be made for  
7 the operation of child care programs and payment of principal  
8 and interest on obligations incurred for the construction or  
9 renovation of child care centers."

10 SECTION 5. Section 304A-2253, Hawaii Revised Statutes, is  
11 amended as follows:

12 1. By amending subsection (a) to read:

13 "(a) There is established a University of Hawaii research  
14 and training revolving fund into which shall be deposited one  
15 hundred per cent of the total amount of indirect overhead  
16 revenues generated by the university from research and training  
17 programs. The board of regents is authorized to expend one  
18 hundred per cent of the revenues deposited in the fund for:

- 19 (1) Research and training purposes that may result in  
20 additional research and training grants and contracts;  
21 (2) Facilitating research and training at the university;  
22 and



1 (3) Further deposit into the discoveries and inventions  
2 [~~revolving~~] special fund [~~and the University of Hawaii~~  
3 ~~housing assistance revolving fund~~]."

4 2. By amending subsection (c) to read:

5 "(c) Notwithstanding sections 304A-107[~~7~~] and  
6 [~~+~~]304A-2254[~~]~~, ~~and [304A-2258]~~ to the contrary, the board of  
7 regents or its designee, may establish a separate account within  
8 the research and training revolving fund for the purpose of  
9 providing advance funding to meet reimbursable costs incurred in  
10 connection with federally financed research and training  
11 projects. Any reimbursement received as a result of providing  
12 advance funding shall be deposited into the research and  
13 training revolving fund to be used for the purpose of meeting  
14 reimbursable costs incurred in connection with federally  
15 financed projects."

16 SECTION 6. Section 304A-2254, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "~~+~~§304A-2254[~~+~~] **Discoveries and inventions [~~revolving~~**  
19 **special fund.** There is established a discoveries and inventions  
20 [~~revolving~~] special fund into which shall be deposited a portion  
21 of the total indirect overhead funds generated by the university  
22 for research and training purposes in the prior fiscal year, as



1 determined by the board of regents. Appropriations by the  
2 legislature subject to the approval of the governor, proceeds  
3 from the commercial exploitation of inventions and intellectual  
4 property developed at the university, gifts, donations, fees  
5 collected, and grants from public agencies and private persons  
6 may also be deposited into the special fund for the purposes of  
7 supporting innovation and research commercialization and the  
8 patenting, copyrighting, licensing, and marketing of  
9 discoveries, inventions, and technologies developed at the  
10 university. The special fund shall be used to develop  
11 technologies that have potential commercial value, support the  
12 administration of technology transfer activities, and facilitate  
13 economic development through education and research undertaken  
14 at the university."

15 SECTION 7. Section 304A-2259, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "[~~§~~304A-2259] **University of Hawaii alumni [~~revolving~~**  
18 **special fund.** There is established the University of Hawaii  
19 alumni [~~revolving~~] special fund into which shall be deposited  
20 funds and proceeds received by the university from alumni  
21 activities and donations from alumni. Funds deposited into this  
22 [~~revolving~~] special fund may be expended by the university for



1 all costs associated with conducting alumni affairs, activities,  
2 and programs for the university system, including but not  
3 limited to expenses for honoraria, hotel and room rentals, food  
4 and refreshment, printing and mailing, banners and signs,  
5 plaques and awards, airfare and per diem, leis, rental of  
6 audiovisual, musical, and stage equipment, and activity supplies  
7 and materials, without regard to statutory competitive bidding  
8 requirements."

9 SECTION 8. Section 304A-2261, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "[+]§304A-2261[+] **University of Hawaii at Manoa**  
12 **intercollegiate athletics [~~revolving~~] special fund and**  
13 **University of Hawaii at Hilo intercollegiate athletics**  
14 **[~~revolving~~] special fund.** Notwithstanding any other law to the  
15 contrary, there are established the University of Hawaii at  
16 Manoa intercollegiate athletics [~~revolving~~] special fund and the  
17 University of Hawaii at Hilo intercollegiate athletics  
18 [~~revolving~~] special fund for the intercollegiate athletic  
19 programs of the University of Hawaii at Manoa and the University  
20 of Hawaii at Hilo, which shall be used to receive, deposit,  
21 disburse, and account for funds from the activities of the  
22 intercollegiate athletic programs. The university may establish



1 appropriate charges for activities related to its athletic  
2 programs and the use of its athletic facilities, the proceeds  
3 from which shall be deposited into these [~~revolving~~] special  
4 funds.

5 The university shall maintain the financial integrity and  
6 viability of these [~~revolving~~] special funds, including the  
7 maintenance of an adequate reserve to cope with the various  
8 factors that impact the revenue structure of an intercollegiate  
9 athletic program."

10 SECTION 9. Section 304A-2262, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 "[~~+~~]**\$304A-2262**[~~+~~] **Animal research farm, Waialeale, Oahu**  
13 [~~revolving~~] special fund. There is established the animal  
14 research farm, Waialeale, Oahu [~~revolving~~] special fund for the  
15 animal research farm, Waialeale, Oahu, operated by the college of  
16 tropical agriculture and human resources of the University of  
17 Hawaii, into which shall be deposited the receipts from fees  
18 realized from the sale of livestock, services, and supplies.  
19 Funds deposited into this [~~revolving~~] special fund shall be  
20 expended for animal research, and services and supplies related  
21 thereto."



1 SECTION 10. Section 304A-2271, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§304A-2271[+] **University of Hawaii-Hilo theatre**  
4 ~~[revolving]~~ special fund. There is established the University  
5 of Hawaii-Hilo theatre ~~[revolving]~~ special fund, which shall  
6 consist of admissions, advertising sales, corporate  
7 sponsorships, marketing, merchandising, donations, fund-raising,  
8 fees, charges, and other moneys collected in conjunction with  
9 the University of Hawaii-Hilo theatre program. The ~~[revolving]~~  
10 special fund shall be administered by the office of  
11 administrative affairs of the University of Hawaii at Hilo.  
12 Funds may be expended for all costs associated with the theatre  
13 program, including artists' fees, production costs, personnel  
14 costs, honoraria, per diem, hotel and room rentals, food and  
15 refreshments, printing and mailing, advertising, airfare, leis,  
16 rental or purchase of equipment, and theater supplies and  
17 materials."

18 SECTION 11. Section 304A-2158, Hawaii Revised Statutes, is  
19 repealed.

20 ~~["§304A-2158] **Western Governors University special fund**.~~  
21 ~~There is established a Western Governors University special fund~~  
22 ~~into which shall be deposited all revenues derived from the~~





1 ~~State's participation in the Western Governors University,~~  
2 ~~except University of Hawaii income from tuition and fees charged~~  
3 ~~for regular courses of instruction and tuition-related course~~  
4 ~~and fee charges to students. The fund shall be administered by~~  
5 ~~the board of regents of the University of Hawaii and shall be~~  
6 ~~used for the State's membership and participation in the Western~~  
7 ~~Governors University." ]~~

8 SECTION 12. Section 304A-2258, Hawaii Revised Statutes, is  
9 repealed.

10 ~~[ "~~§304A-2258~~ **University of Hawaii housing assistance**~~  
11 ~~**revolving fund.** There is established the University of Hawaii~~  
12 ~~housing assistance revolving fund into which shall be deposited~~  
13 ~~a portion of the total indirect overhead funds generated by the~~  
14 ~~university for research and training purposes in the prior~~  
15 ~~fiscal year as determined by the board of regents. The fund~~  
16 ~~shall be used to:~~

17 ~~(1) Implement the university housing assistance master~~  
18 ~~plan, in accordance with policies adopted by the board~~  
19 ~~of regents; and~~

20 ~~(2) Account for all transactions of the university housing~~  
21 ~~assistance program, including but not limited to~~  
22 ~~revenues, expenditures, loans, and transfers." ]~~



1 SECTION 13. Section 304A-2264, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§304A-2264] Conference center revolving fund,~~  
4 ~~University of Hawaii at Manoa.~~ There is established the  
5 conference center revolving fund for the conference center  
6 program in the college of continuing education and community  
7 service of the University of Hawaii at Manoa. All fees,  
8 charges, and other moneys collected in conjunction with the  
9 conference center program shall be deposited in the revolving  
10 fund. The dean of the college of continuing education and  
11 community service is authorized to expend funds from the  
12 revolving fund for all costs associated with conducting  
13 conferences, seminars, and courses by the conference center  
14 program, including but not limited to expenses for honoraria,  
15 hotel and room rentals, food and refreshment, printing and  
16 mailing, airfare and per diem, leis, rental of audiovisual  
17 equipment, and conference supplies and materials."]

18 SECTION 14. Section 304A-2265, Hawaii Revised Statutes, is  
19 repealed.

20 ~~["§304A-2265] International exchange healthcare tourism~~  
21 ~~revolving fund.~~ (a) There is established the international  
22 exchange healthcare tourism revolving fund for the international



1 ~~exchange of healthcare tourism program into which shall be~~  
2 ~~deposited all donations, gifts, contributions, legislative~~  
3 ~~appropriations, and moneys generated by the program through~~  
4 ~~education, training, and research contracts and grants. Moneys~~  
5 ~~deposited into this fund for the school of medicine and the~~  
6 ~~school of nursing and dental hygiene shall be divided into~~  
7 ~~separate accounts for each school, provided that moneys not~~  
8 ~~designated for use by a particular school shall be divided~~  
9 ~~equally. Moneys shall be expended from each account by the~~  
10 ~~school of medicine and the school of nursing and dental hygiene,~~  
11 ~~for student aid, training projects, teaching, supplies,~~  
12 ~~services, and activities related to the development and~~  
13 ~~promotion of the health-related tourism education program.~~

14 ~~(b) All unexpended and unencumbered moneys appropriated by~~  
15 ~~the legislature remaining in the fund at the close of each~~  
16 ~~fiscal year that are deemed, by the director of finance, to be~~  
17 ~~in excess of the moneys necessary to carry out the purposes of~~  
18 ~~this section over the next following fiscal year shall lapse to~~  
19 ~~the credit of the state general fund." ]~~

20 SECTION 15. Section 304A-2266, Hawaii Revised Statutes, is  
21 repealed.



1           ~~["§304A-2266] Education laboratory school summer programs~~  
2  ~~revolving fund.~~ There is established the education laboratory  
3  ~~school summer programs revolving fund, from which shall be paid~~  
4  ~~the cost of operations of the education laboratory school summer~~  
5  ~~programs. The education laboratory school may establish~~  
6  ~~appropriate charges for activities related to its summer~~  
7  ~~programs, the proceeds from which shall be deposited into this~~  
8  ~~revolving fund." ]~~

9           SECTION 16. Section 304A-2269, Hawaii Revised Statutes, is  
10 repealed.

11           ~~["§304A-2269] Community college and University of Hawaii~~  
12  ~~at Hilo bookstore revolving fund.~~ There is established the  
13  ~~community college and University of Hawaii at Hilo bookstore~~  
14  ~~revolving fund for the community college and University of~~  
15  ~~Hawaii at Hilo bookstores, from which shall be paid the cost of~~  
16  ~~goods or services rendered or furnished to the bookstores and~~  
17  ~~which shall be replenished through charges made for goods and~~  
18  ~~services or through transfers from other accounts or funds." ]~~

19           SECTION 19. All fund balances remaining unencumbered and  
20 unexpended as of June 30, 2011, in the University of Hawaii at  
21 Manoa conference center revolving fund shall be transferred to  
22 the general fund.



1 SECTION 20. All fund balances remaining unencumbered and  
2 unexpended as of June 30, 2011, in the University of Hawaii  
3 housing assistance revolving fund shall be transferred to the  
4 credit of the Manoa faculty housing program under the University  
5 of Hawaii auxiliary enterprises special fund established under  
6 section 304A-2157, Hawaii Revised Statutes.

7 SECTION 21. The conversion of revolving funds to special  
8 funds pursuant to sections 4, 6, 7, 8, 9, and 10 of this Part  
9 shall in no way be construed as an authorization to remove,  
10 alter, or amend any moneys from any revolving fund other than  
11 for the purposes of this Part and for the allowable uses under  
12 relevant law.

13 **PART III**

14 **Fund Transfers**

15 SECTION 22. The recession of 2008 swept across the nation  
16 and many parts of the world with unanticipated force and brought  
17 with it enormous challenges for governments at all levels. Its  
18 effects on businesses and employment are still being felt today,  
19 including a profound impact on Hawaii in terms of tax revenues  
20 and the state budget.

21 The legislature finds that due to the extraordinary fiscal  
22 circumstances the State is facing, non-general funds must be



1 reviewed and scrutinized to determine if there is an excess of  
2 balances available to help address the critical budget shortfall  
3 in fiscal year 2010-2011.

4 The purpose of this part is to help address the fiscal year  
5 2010-2011 budget shortfall by transferring excess balances from  
6 various non-general funds into the State's general fund.

7 SECTION 23. The legislature determines that there is in  
8 the state risk management revolving fund at least \$1,000,000 in  
9 excess of the requirements of the fund. On June 30, 2011, the  
10 director of finance is authorized to transfer from the  
11 fund to the general fund the sum of \$1,000,000 or so much  
12 thereof as may be necessary for fiscal year 2010-2011.

13 SECTION 24. The legislature determines that there is in  
14 the wireless enhanced 911 special fund at least \$2,000,000 in  
15 excess of the requirements of the fund. On June 30, 2011, the  
16 director of finance is authorized to transfer from the fund to  
17 the general fund the sum of \$2,000,000 or so much thereof as may  
18 be necessary for fiscal year 2010-2011.

19 SECTION 25. The legislature determines that there is in  
20 the stadium special fund at least \$500,000 in excess of the  
21 requirements of the fund. On June 30, 2011, the director of  
22 finance is authorized to transfer from the fund to the general



1 fund the sum of \$500,000 or so much thereof as may be necessary  
2 for fiscal year 2010-2011.

3 SECTION 26. The legislature determines that there is in  
4 the Medicaid investigations recovery fund at least \$500,000 in  
5 excess of the requirements of the fund. On June 30, 2011, the  
6 director of finance is authorized to transfer from the Medicaid  
7 investigations recovery fund to the general fund the sum of  
8 \$ 500,000 or so much thereof as may be necessary for fiscal year  
9 2010-2011.

10 SECTION 27. The legislature determines that there is in  
11 the energy security special fund at least \$500,000 in excess of  
12 the requirements of the fund. On June 30, 2011, the director of  
13 finance is authorized to transfer from the energy security  
14 special fund to the general fund the sum of \$ 500,000 or so much  
15 thereof as may be necessary for fiscal year 2010-2011.

16 SECTION 28. The legislature determines that there is in  
17 the Hawaii Community Development Revolving Fund at least  
18 \$500,000 in excess of the requirements of the fund. On June 30,  
19 2011, the director of finance is authorized to transfer from the  
20 Hawaii Community Development Revolving Fund to the general fund  
21 the sum of \$ 500,000 or so much thereof as may be necessary for  
22 fiscal year 2010-2011.



1 SECTION 29. The legislature determines that there is in  
2 the Aloha Tower Special Fund at least \$2,000,000 in excess of  
3 the requirements of the fund. On June 30, 2011, the director of  
4 finance is authorized to transfer from the Aloha Tower Special  
5 Fund to the general fund the sum of \$2,000,000 or so much  
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 30. The legislature determines that there is in  
8 the Waialua Loan Subsidy Program at least \$1,103 in excess of  
9 the requirements of the fund. On June 30, 2011, the director of  
10 finance is authorized to transfer from the Waialua Loan Subsidy  
11 Program fund to the general fund the sum of \$1,103 or so much  
12 thereof as may be necessary for fiscal year 2010-2011.

13 SECTION 31. The legislature determines that there is in  
14 the UH Faculty Housing Project Series 1995 bond proceed special  
15 fund at least \$520,780 in excess of the requirements of the  
16 fund. On June 30, 2011, the director of finance is authorized  
17 to transfer from the UH Faculty Housing Project Series 1995 bond  
18 proceed special fund to the general fund the sum of \$520,780 or  
19 so much thereof as may be necessary for fiscal year 2010-2011.

20 SECTION 32. The legislature determines that there is in  
21 the Kikala-Keokea Housing Revolving Fund at least \$474,014 in  
22 excess of the requirements of the fund. On June 30, 2011, the





1 director of finance is authorized to transfer from the Kikala-  
2 Keokea Housing Revolving Fund to the general fund the sum of  
3 \$474,014 or so much thereof as may be necessary for fiscal year  
4 2010-2011.

5 SECTION 33. The legislature determines that there is in  
6 the compliance resolution fund - business registration fund at  
7 least \$1,500,000 in excess of the requirements of the fund. On  
8 June 30, 2011, the director of finance is authorized to transfer  
9 from the compliance resolution fund - business registration  
10 fund to the general fund the sum of \$1,500,000 or so much  
11 thereof as may be necessary for fiscal year 2010-2011.

12 SECTION 34. The legislature determines that there is in  
13 the Hawaii Teachers Standards Board Special fund at least  
14 \$1,200,000 in excess of the requirements of the fund. On June  
15 30, 2011, the director of finance is authorized to transfer from  
16 the Hawaii Teachers Standards Board Special fund to the general  
17 fund the sum of \$1,200,000 or so much thereof as may be  
18 necessary for fiscal year 2010-2011.

19 SECTION 35. The legislature determines that there is in  
20 the School Food Service Special fund at least \$3,000,000 in  
21 excess of the requirements of the fund. On June 30, 2011, the  
22 director of finance is authorized to transfer from the School



1 Food Service Special fund to the general fund the sum of  
2 \$3,000,000 or so much thereof as may be necessary for fiscal  
3 year 2010-2011.

4 SECTION 36. The legislature determines that there is in  
5 the Community Use of School Facilities Special fund at least  
6 \$1,000,000 in excess of the requirements of the fund. On June  
7 30, 2011, the director of finance is authorized to transfer from  
8 the Community Use of School Facilities Special fund to the  
9 general fund the sum of \$1,000,000 or so much thereof as may be  
10 necessary for fiscal year 2010-2011.

11 SECTION 37. The legislature determines that there is in  
12 the Federal Grants Search, Development, and Application  
13 Revolving fund at least \$500,000 in excess of the requirements  
14 of the fund. On June 30, 2011, the director of finance is  
15 authorized to transfer from the Federal Grants Search,  
16 Development, and Application Revolving fund to the general fund  
17 the sum of \$500,000 or so much thereof as may be necessary for  
18 fiscal year 2010-2011.

19 SECTION 38. The legislature determines that there is in  
20 the Hawaiian home administration account fund at least  
21 \$3,000,000 in excess of the requirements of the fund. On June  
22 30, 2011, the director of finance is authorized to transfer from



1 the Hawaiian home administration account fund to the general  
2 fund the sum of \$3,000,000 or so much thereof as may be  
3 necessary for fiscal year 2010-2011.

4 SECTION 39. The legislature determines that there is in  
5 the Health Care Revolving fund at least \$100,000 in excess of  
6 the requirements of the fund. On June 30, 2011, the director of  
7 finance is authorized to transfer from the Health Care Revolving  
8 fund to the general fund the sum of \$100,000 or so much thereof  
9 as may be necessary for fiscal year 2010-2011.

10 SECTION 40. The legislature determines that there is in  
11 the Mental Health and Substance Abuse Special fund at least  
12 \$4,000,000 in excess of the requirements of the fund. On June  
13 30, 2011, the director of finance is authorized to transfer from  
14 the Mental Health and Substance Abuse Special fund to the  
15 general fund the sum of \$4,000,000 or so much thereof as may be  
16 necessary for fiscal year 2010-2011.

17 SECTION 41. The legislature determines that there is in  
18 the Drug Demand Reduction Assessments Special fund at least  
19 \$700,000 in excess of the requirements of the fund. On June 30,  
20 2011, the director of finance is authorized to transfer from the  
21 Drug Demand Reduction Assessments Special fund to the general



1 fund the sum of \$ 700,000 or so much thereof as may be necessary  
2 for fiscal year 2010-2011.

3 SECTION 42. The legislature determines that there is in  
4 the Neurotrauma fund at least \$750,000 in excess of the  
5 requirements of the fund. On June 30, 2011, the director of  
6 finance is authorized to transfer from the Neurotrauma fund to  
7 the general fund the sum of \$750,000 or so much thereof as may  
8 be necessary for fiscal year 2010-2011.

9 SECTION 43. The legislature determines that there is in  
10 the Emergency Medical Services Special fund at least  
11 \$3,000,000 in excess of the requirements of the fund. On June  
12 30, 2011, the director of finance is authorized to transfer from  
13 the Emergency Medical Services Special fund to the general fund  
14 the sum of \$3,000,000 or so much thereof as may be necessary for  
15 fiscal year 2010-2011.

16 SECTION 44. The legislature determines that there is in  
17 the Electronic Device Recycling fund at least \$350,000 in excess  
18 of the requirements of the fund. On June 30, 2011, the director  
19 of finance is authorized to transfer from the Electronic Device  
20 Recycling fund to the general fund the sum of \$350,000 or so  
21 much thereof as may be necessary for fiscal year 2010-2011.



1           SECTION 45. The legislature determines that there is in  
2 the Environmental Management Special fund at least \$1,500,000 in  
3 excess of the requirements of the fund. On June 30, 2011, the  
4 director of finance is authorized to transfer from the  
5 Environmental Management Special fund to the general fund the  
6 sum of \$1,500,000 or so much thereof as may be necessary for  
7 fiscal year 2010-2011.

8           SECTION 46. The legislature determines that there is in  
9 the Deposit Beverage Container Deposit Special fund at least  
10 \$1,000,000 in excess of the requirements of the fund. On June  
11 30, 2011, the director of finance is authorized to transfer from  
12 the Deposit Beverage Container Deposit Special fund to the  
13 general fund the sum of \$1,000,000 or so much thereof as may be  
14 necessary for fiscal year 2010-2011.

15           SECTION 47. The legislature determines that there is in  
16 the Newborn Metabolic Screening Special fund at least  
17 \$300,000 in excess of the requirements of the fund. On June 30,  
18 2011, the director of finance is authorized to transfer from the  
19 Newborn Metabolic Screening Special fund to the general fund the  
20 sum of \$300,000 or so much thereof as may be necessary for  
21 fiscal year 2010-2011.



1           SECTION 48. The legislature determines that there is in  
2 the Community Health Centers Special fund at least \$1,000,000 in  
3 excess of the requirements of the fund. On June 30, 2011, the  
4 director of finance is authorized to transfer from the Community  
5 Health Centers Special fund to the general fund the sum of  
6 \$1,000,000 or so much thereof as may be necessary for fiscal  
7 year 2010-2011.

8           SECTION 49. The legislature determines that there is in  
9 the Noise, Radiation and Indoor Air Quality Special fund at  
10 least \$250,000 in excess of the requirements of the fund. On  
11 June 30, 2011, the director of finance is authorized to transfer  
12 from the Noise, Radiation and Indoor Air Quality Special fund to  
13 the general fund the sum of \$250,000 or so much thereof as may  
14 be necessary for fiscal year 2010-2011.

15           SECTION 50. The legislature determines that there is in  
16 the Environmental Health Education fund at least \$200,000 in  
17 excess of the requirements of the fund. On June 30, 2011, the  
18 director of finance is authorized to transfer from the  
19 Environmental Health Education fund to the general fund the sum  
20 of \$200,000 or so much thereof as may be necessary for fiscal  
21 year 2010-2011.



1           SECTION 51. The legislature determines that there is in  
2 the Trauma System Special fund at least \$1,000,000 in excess of  
3 the requirements of the fund. On June 30, 2011, the director of  
4 finance is authorized to transfer from the Trauma System Special  
5 fund to the general fund the sum of \$1,000,000 or so much  
6 thereof as may be necessary for fiscal year 2010-2011.

7           SECTION 52. The legislature determines that there is in  
8 the State Health Planning and Development fund at least \$100,000  
9 in excess of the requirements of the fund. On June 30, 2011,  
10 the director of finance is authorized to transfer from the State  
11 Health Planning and Development fund to the general fund the sum  
12 of \$100,000 or so much thereof as may be necessary for fiscal  
13 year 2010-2011.

14           SECTION 53. The legislature determines that there is in  
15 the employment and training fund at least \$700,000 in excess of  
16 the requirements of the fund. On June 30, 2011, the director of  
17 finance is authorized to transfer from the employment and  
18 training fund to the general fund the sum of \$700,000 or so much  
19 thereof as may be necessary for fiscal year 2010-2011.

20           SECTION 54. The legislature determines that there is in  
21 the special unemployment insurance administrative fund at least  
22 \$1,500,000 in excess of the requirements of the fund. On June



1 30, 2011, the director of finance is authorized to transfer from  
2 the special unemployment insurance administrative fund to the  
3 general fund the sum of \$1,500,000 or so much thereof as may be  
4 necessary for fiscal year 2010-2011.

5 SECTION 55. The legislature determines that there is in  
6 the premium supplemental fund at least \$500,000 in excess of the  
7 requirements of the fund. On June 30, 2011, the director of  
8 finance is authorized to transfer from the premium supplemental  
9 fund to the general fund the sum of \$500,000 or so much thereof  
10 as may be necessary for fiscal year 2010-2011.

11 SECTION 56. The legislature determines that there is in  
12 the tuition and fee special fund at least \$ 1,000,000 in excess  
13 of the requirements of the fund. On June 30, 2011, the director  
14 of finance is authorized to transfer from the fund to the  
15 general fund the sum of \$1,000,000 or so much thereof as may be  
16 necessary for fiscal year 2010-2011.

17 SECTION 57. The legislature determines that there is in  
18 the university revenue-undertakings fund at least \$1,000,000 in  
19 excess of the requirements of the fund. On June 30, 2011, the  
20 director of finance is authorized to transfer from the  
21 university revenue-undertakings fund to the general fund the sum





1 of \$1,000,000 or so much thereof as may be necessary for fiscal  
2 year 2010-2011.

3 SECTION 58. The legislature determines that there is in  
4 the research and training revolving fund at least \$1,000,000 in  
5 excess of the requirements of the fund. On June 30, 2011, the  
6 director of finance is authorized to transfer from the  
7 fund to the general fund the sum of \$1,000,000 or so much  
8 thereof as may be necessary for fiscal year 2010-2011.

9 SECTION 59. The legislature determines that there is in  
10 the campus center operations fund at least \$500,000 in excess of  
11 the requirements of the fund. On June 30, 2011, the director of  
12 finance is authorized to transfer from the fund to the general  
13 fund the sum of \$500,000 or so much thereof as may be necessary  
14 for fiscal year 2010-2011.

15 SECTION 60. The legislature determines that there is in  
16 the outreach college summer session and CCECS (credit  
17 program) fund at least \$1,000,000 in excess of the requirements  
18 of the fund. On June 30, 2011, the director of finance is  
19 authorized to transfer from the fund to the general fund the sum  
20 of \$1,000,000 or so much thereof as may be necessary for fiscal  
21 year 2010-2011.



1 SECTION 61. The legislature determines that there is in  
2 the housing assistance revolving fund at least \$2,000,000 in  
3 excess of the requirements of the fund. On June 30, 2011, the  
4 director of finance is authorized to transfer from the  
5 fund to the general fund the sum of \$2,000,000 or so much  
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 62. The legislature determines that there is in  
8 the community college special fund at least \$1,000,000 in excess  
9 of the requirements of the fund. On June 30, 2011, the director  
10 of finance is authorized to transfer from the fund to the  
11 general fund the sum of \$1,000,000 or so much thereof as may be  
12 necessary for fiscal year 2010-2011.

13 SECTION 63. The legislature determines that there is in  
14 the UH risk management special fund at least \$1,000,000 in  
15 excess of the requirements of the fund. On June 30, 2011, the  
16 director of finance is authorized to transfer from the fund to  
17 the general fund the sum of \$1,000,000 or so much thereof as may  
18 be necessary for fiscal year 2010-2011.

19 **PART IV**  
20 **Conforming Amendments**

21 SECTION 64. Section 28-8.3, Hawaii Revised Statutes, is  
22 amended by amending subsection (a) to read as follows:



1           "(a) No department of the State other than the attorney  
2 general may employ or retain any attorney, by contract or  
3 otherwise, for the purpose of representing the State or the  
4 department in any litigation, rendering legal counsel to the  
5 department, or drafting legal documents for the department;  
6 provided that the foregoing provision shall not apply to the  
7 employment or retention of attorneys:

- 8           (1) By the public utilities commission, the labor and  
9 industrial relations appeals board, and the Hawaii  
10 labor relations board;
- 11           (2) By any court or judicial or legislative office of the  
12 State; provided that if the attorney general is  
13 requested to provide representation to a court or  
14 judicial office by the chief justice or the chief  
15 justice's designee, or to a legislative office by the  
16 speaker of the house of representatives and the  
17 president of the senate jointly, and the attorney  
18 general declines to provide such representation on the  
19 grounds of conflict of interest, the attorney general  
20 shall retain an attorney for the court, judicial, or  
21 legislative office, subject to approval by the court,  
22 judicial, or legislative office;



- 1 (3) By the legislative reference bureau;
- 2 (4) By any compilation commission that may be constituted
- 3 from time to time;
- 4 (5) By the real estate commission for any action involving
- 5 the real estate recovery fund;
- 6 (6) By the contractors license board for any action
- 7 involving the contractors recovery fund;
- 8 [~~(7)~~] ~~By the trustees for any action involving the travel~~
- 9 ~~agency recovery fund;~~
- 10 ~~(8)~~] (7) By the office of Hawaiian affairs;
- 11 [~~(9)~~] (8) By the department of commerce and consumer
- 12 affairs for the enforcement of violations of chapters
- 13 480 and 485A;
- 14 [~~(10)~~] (9) As grand jury counsel;
- 15 [~~(11)~~] (10) By the Hawaiian home lands trust individual
- 16 claims review panel;
- 17 [~~(12)~~] (11) By the Hawaii health systems corporation, or its
- 18 regional system boards, or any of their facilities;
- 19 [~~(13)~~] (12) By the auditor;
- 20 [~~(14)~~] (13) By the office of ombudsman;
- 21 [~~(15)~~] (14) By the insurance division;
- 22 [~~(16)~~] (15) By the University of Hawaii;



- 1     ~~[(17)]~~ (16) By the Kahoolawe island reserve commission;
- 2     ~~[(18)]~~ (17) By the division of consumer advocacy;
- 3     ~~[(19)]~~ (18) By the office of elections;
- 4     ~~[(20)]~~ (19) By the campaign spending commission;
- 5     ~~[(21)]~~ (20) By the Hawaii tourism authority, as provided in
- 6             section 201B-2.5;
- 7     ~~[(22)]~~ (21) By the division of financial institutions for
- 8             any action involving the mortgage loan recovery fund;
- 9             or
- 10    ~~[(23)]~~ (22) By a department, in the event the attorney
- 11            general, for reasons deemed by the attorney general to
- 12            be good and sufficient, declines to employ or retain
- 13            an attorney for a department; provided that the
- 14            governor ~~[thereupon]~~ waives the provision of this
- 15            section."

16            SECTION 65. Section 167-19, Hawaii Revised Statutes, is

17    amended by amending subsection (c) to read as follows:

18            "(c) All or any portion of the acreage assessments

19    collected under this chapter, as determined by the board,

20    exclusive of acreage assessments imposed on lands within an

21    irrigation project financed through the issuance of revenue

22    bonds, shall be deposited into the irrigation system revolving



1 fund. Acreage assessments imposed on lands within an irrigation  
2 project financed through the issuance of revenue bonds shall be  
3 deposited into the [~~irrigation water development special fund.~~]  
4 general fund."

5 SECTION 66. Section 167-22, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7 "(a) There is established the irrigation system revolving  
8 fund, into which shall be deposited:

- 9 (1) All legislative appropriations to the irrigation  
10 system revolving fund; and  
11 (2) All or any portion of the receipts and revenues  
12 collected under this chapter, as determined by the  
13 board of agriculture [~~, exclusive of the receipts and  
14 revenues deposited into the irrigation water  
15 development special fund.~~]."

16 SECTION 67. Section 321-355, Hawaii Revised Statutes, is  
17 amended by amending subsection (b) to read as follows:

18 "(b) The fund shall consist of grants and income earned by  
19 the special fund. [~~Notwithstanding section 29-24, all~~] All  
20 program income consisting of federal reimbursement funds  
21 received by the State for early intervention funded by  
22 legislative appropriations under this part shall be deposited



1 into the special fund; provided that no state appropriations  
2 shall be deposited into the special fund."

3 SECTION 68. Section 321-356, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) The trust fund shall consist of government grants and  
6 private contributions including but not limited to gifts or  
7 donations from corporations or other businesses, foundations,  
8 individuals, and other interested parties, and income earned by  
9 the trust fund. [~~Notwithstanding section 29-24, all~~] All  
10 program income consisting of federal reimbursement funds  
11 received by the State for early intervention funded by private  
12 donations and contributions under this part shall be deposited  
13 into the trust fund."

14 SECTION 69. Section 346-311, Hawaii Revised Statutes, is  
15 amended by amending the definition of "secondary discounted  
16 price" to read as follows:

17 ""Secondary discounted price" as it pertains to a drug  
18 means the initial discounted price less any further discounts  
19 [~~paid out of the Rx plus special fund~~]."

20 SECTION 70. Section 346-344, Hawaii Revised Statutes, is  
21 amended by amending subsections (a) and (b) to read as follows:



1           "(a) For persons meeting the eligibility requirements in  
2 section 346-343, the state pharmacy assistance program may pay  
3 all or some of the co-payments required under the federal  
4 medicare part D pharmacy benefit program, [~~subject to the~~  
5 ~~sufficiency of funds in the state pharmacy assistance program~~  
6 ~~special fund,~~] as determined by the department.

7           (b) The state pharmacy assistance program is the payor of  
8 last resort [~~subject to the sufficiency of funds in the state~~  
9 ~~pharmacy assistance program special fund~~], as determined by the  
10 department."

11           SECTION 71. Section 431:22-103, Hawaii Revised Statutes,  
12 is amended to read as follows:

13           "~~[+]~~**\$431:22-103**~~[+]~~ **Establishment of loss mitigation grant**  
14 **program.** The commissioner shall develop and implement a pilot  
15 grant program to encourage the installation of wind resistive  
16 devices. The commissioner may spend up to \$6,000,000 [~~from the~~  
17 ~~loss mitigation grant fund~~] over three years for the grant  
18 program, which amounts shall include the costs of administering,  
19 operating, and marketing the grant program.

20           For the first year of the grant program, the commissioner  
21 may make grants only to former policyholders of the Hawaii  
22 hurricane relief fund. From the second year onward, the





1 commissioner may also make grants to all single or multi-family  
2 residential owners, which may include owners of townhouse units  
3 or condominium apartments under section 431:22-104(c)(3)."

4 SECTION 72. Section 431P-16, Hawaii Revised Statutes, is  
5 amended by amending subsection (i) to read as follows:

6 "(i) Moneys in the hurricane reserve trust fund may be [~~+~~  
7 ~~(1)~~ ~~Disbursed~~] disbursed upon dissolution of the Hawaii  
8 hurricane relief fund; provided that:

9 [~~(A)~~] (1) The net moneys in the hurricane reserve trust  
10 fund shall revert to the state general fund after  
11 payments by the fund on behalf of licensed property  
12 and casualty insurers or the State that are required  
13 to be made pursuant to any federal disaster insurance  
14 program enacted to provide insurance or reinsurance  
15 for hurricane risks are completed; and

16 [~~(B)~~] (2) If such moneys are paid on behalf of licensed  
17 property and casualty insurers, payment shall be made  
18 in proportion to the premiums from policies of  
19 hurricane property insurance serviced by the insurers  
20 in the twelve months prior to dissolution of the fund;  
21 [~~+~~



1       ~~(2) Deposited to the loss mitigation grant fund~~  
2           ~~established under section 431:22-102;~~  
3 provided that all interest earned from the principal in the  
4 hurricane reserve trust fund shall be transferred and deposited  
5 into the general fund each year that the hurricane reserve trust  
6 fund remains in existence."

7       SECTION 73. Section 431P-16.5, Hawaii Revised Statutes, is  
8 amended to read as follows:

9       "~~{}~~~~§431P-16.5[{} Transfer of funds; immunity]~~ Immunity.

10 There shall be no cause of action, claim for damages or relief,  
11 charge, or any other liability of any kind whatsoever created  
12 against the State, the Hawaii hurricane relief fund, the  
13 commissioner, or their respective agents, employees, or board,  
14 by, or relating to~~[, the transfer of any moneys from the~~  
15 ~~hurricane reserve trust fund to the loss mitigation grant fund~~  
16 ~~or from the loss mitigation grant fund to the hurricane reserve~~  
17 ~~trust fund or involving]~~ the loss mitigation grant program."

18                                   **PART V**

19   **Other Repealed Funds**

20       SECTION 74. Section 29-24, Hawaii Revised Statutes, is  
21 repealed.



1           ~~["§29-24 Interagency federal revenue maximization~~  
2  ~~revolving fund. (a) There is established in the state treasury~~  
3  ~~an interagency federal revenue maximization revolving fund, into~~  
4  ~~which shall be deposited all funds and proceeds collected from~~  
5  ~~the federal government and third party payers for costs not~~  
6  ~~previously claimed by the State, with the exception of proceeds~~  
7  ~~collected for services provided by the Hawaii health systems~~  
8  ~~corporation or its regional system boards, for reimbursement of~~  
9  ~~federally funded state programs. For purposes of this chapter,~~  
10  ~~federally funded state programs include but shall not be limited~~  
11  ~~to those federally funded programs within the departments of~~  
12  ~~human services and health, and shall not include the federally-~~  
13  ~~funded program within the department of education as provided in~~  
14  ~~section 302A-1406. Expenditures and transfers from the fund~~  
15  ~~shall be made by the comptroller in proportional allocations~~  
16  ~~established by the comptroller and the director of finance.~~  
17  ~~Transfers shall be made to the department claiming the~~  
18  ~~reimbursement for expenses incurred related to federal fund~~  
19  ~~reimbursement claims and to the general fund of the State.~~  
20  ~~Moneys in the fund may be expended for consultant services~~  
21  ~~rendered under subsection (b).~~



1       ~~(b) Notwithstanding any other law to the contrary, the~~  
2       ~~comptroller, by contract, may retain the services of certified~~  
3       ~~public accountants and other consultants to pursue and collect~~  
4       ~~federal fund reimbursements, and perform other duties necessary~~  
5       ~~to administer this section. At the option of the comptroller,~~  
6       ~~consultants retained by contract under this subsection may be~~  
7       ~~compensated on:~~

8             ~~(1) A fixed-price basis;~~

9             ~~(2) An hourly rate basis with or without a fixed cap; or~~

10            ~~(3) Through a contingent fee arrangement specified in the~~  
11            ~~contract.~~

12       ~~Such compensation shall be payable out of all sums the~~  
13       ~~consultant recovers for the State.~~

14       ~~(c) No later than twenty days prior to the convening of~~  
15       ~~each regular session of the legislature, the comptroller shall~~  
16       ~~submit to the legislature a report including the following~~  
17       ~~information:~~

18            ~~(1) Itemized amounts of all federal reimbursements;~~

19            ~~(2) Description and amounts of all expenses incurred by~~  
20            ~~the fund;~~

21            ~~(3) Method of compensation and amounts of compensation for~~  
22            ~~all certified public accountants and other consultants~~



1           ~~retained by the comptroller to pursue and collect~~  
2           ~~federal fund reimbursements and perform other duties~~  
3           ~~necessary to administer this section;~~

4           ~~(4) Method of determining allocation of funds;~~

5           ~~(5) Amounts allocated by the comptroller; and~~

6           ~~(6) Fund balances." ]~~

7           SECTION 75. Section 167-22.5, Hawaii Revised Statutes, is  
8           repealed.

9           ~~["**~~§167-22.5~~** Irrigation water development special fund.~~

10          ~~(a) There is established in the state treasury the irrigation~~  
11          ~~water development special fund, into which shall be deposited:~~

12           ~~(1) Appropriations by the legislature to the irrigation~~  
13           ~~water development special fund;~~

14           ~~(2) All receipts and revenues derived from irrigation~~  
15           ~~projects financed through the issuance of revenue~~  
16           ~~bonds;~~

17           ~~(3) All or any portion of the receipts and revenues~~  
18           ~~collected under this chapter, as determined by the~~  
19           ~~board, whether or not receipts or revenues are derived~~  
20           ~~from irrigation projects financed through the issuance~~  
21           ~~of revenue bonds; and~~



1       ~~(4) Interest earned or accrued on moneys in the irrigation~~  
2           ~~water development special fund.~~

3       ~~(b) Moneys in the irrigation water development special~~  
4 ~~fund shall be used by the board for the following purposes:~~

5       ~~(1) Planning, design, improvement, construction, land~~  
6           ~~acquisition, and equipment necessary for the~~  
7           ~~development, operation, or maintenance of an~~  
8           ~~irrigation project;~~

9       ~~(2) Payment of debt service on revenue bonds issued by the~~  
10           ~~department for irrigation project purposes, and the~~  
11           ~~establishment of debt service and other revenues~~  
12           ~~deemed necessary by the board;~~

13       ~~(3) Reimbursement of the general fund for debt service on~~  
14           ~~general obligation bonds issued to finance irrigation~~  
15           ~~projects where the bonds are designated to be~~  
16           ~~reimbursable out of the irrigation water development~~  
17           ~~special fund; and~~

18       ~~(4) Any other purpose deemed necessary by the board for~~  
19           ~~the purpose of planning, designing, improving,~~  
20           ~~constructing, developing, operating, and maintaining~~  
21           ~~irrigation projects." ]~~



1 SECTION 76. Section 167-24, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§167-24] Irrigation repair and maintenance special~~  
4 ~~fund.~~ (a) ~~There is established in the state treasury the~~  
5 ~~irrigation repair and maintenance special fund that shall be~~  
6 ~~administered by the board.~~

7 (b) ~~Moneys in the irrigation repair and maintenance~~  
8 ~~special fund shall be used to fund repair and maintenance of the~~  
9 ~~following irrigation systems:~~

- 10 (1) ~~East Kauai irrigation system;~~
- 11 (2) ~~Kekaha ditch;~~
- 12 (3) ~~Kokee ditch;~~
- 13 (4) ~~Maui Land/Pioneer Mill irrigation system;~~
- 14 (5) ~~Waiahole ditch;~~
- 15 (6) ~~Lower Hamakua irrigation system;~~
- 16 (7) ~~Molokai irrigation system;~~
- 17 (8) ~~Upcountry Maui irrigation system;~~
- 18 (9) ~~Waimanalo irrigation system;~~
- 19 (10) ~~Waimea irrigation system;~~
- 20 (11) ~~East Maui irrigation system;~~
- 21 (12) ~~Kauai coffee irrigation system;~~
- 22 (13) ~~West Maui irrigation system;~~



- 1       ~~(14) Kau irrigation system;~~  
2       ~~(15) Honomalino irrigation system;~~  
3       ~~(16) Wahiawa reservoir and ditch system; and~~  
4       ~~(17) Other privately-owned irrigation systems on former~~  
5               ~~sugarcane and pineapple plantation lands that have~~  
6               ~~been converted to diversified agriculture.~~

7       ~~(c) The irrigation repair and maintenance special fund~~  
8       ~~shall be funded by legislative appropriations, including general~~  
9       ~~obligation bond funds and federal funds.~~

10       ~~(d) Landowners may apply for funding assistance from the~~  
11       ~~irrigation repair and maintenance special fund; provided that~~  
12       ~~the landowner:~~

13               ~~(1) Provides matching funding equal to the amount received~~  
14               ~~from the irrigation repair and maintenance special~~  
15               ~~fund;~~

16               ~~(2) Agrees to file a petition for declaratory ruling~~  
17               ~~pursuant to section 205-45 designating a majority of~~  
18               ~~all land served by the water produced by the~~  
19               ~~irrigation system as important agricultural lands as~~  
20               ~~defined under section 205-42 and notifies the board~~  
21               ~~and county of the petition and designation for the~~  
22               ~~purpose of inclusion on maps; and~~





1       ~~(3) Agrees to use, or provide for the use of, all lands~~  
2           ~~owned or controlled by the landowner and served by the~~  
3           ~~water produced by the irrigation system for~~  
4           ~~agricultural production.~~

5       ~~The board shall develop processes, policies, standards, and~~  
6       ~~criteria for selecting the landowners that are to receive~~  
7       ~~funding and the amount of such funding. The board shall also~~  
8       ~~develop processes, policies, standards, and criteria for~~  
9       ~~determining the amount of funding provided to irrigation systems~~  
10       ~~in subsection (b) owned by the State.~~

11       ~~(c) As used in this section:~~

12       ~~"Diversified agriculture" means agricultural operations~~  
13       ~~that produce diversified agricultural products, including~~  
14       ~~flowers, nursery products, vegetables, herbs, melons, seed~~  
15       ~~crops, macadamia nuts, aquaculture, coffee, milk, cattle, eggs,~~  
16       ~~hogs, and fruit.~~

17       ~~"Irrigation system" means the agricultural system of~~  
18       ~~intakes, diversions, wells, ditches, siphons, pipes, reservoirs,~~  
19       ~~and accessory facilities established to provide water for~~  
20       ~~agricultural production.~~

21       ~~"Landowner" means a private entity that:~~



- 1       ~~(1) Owns agricultural land, formerly used as a sugarcane~~
- 2       ~~or pineapple plantation, that contains a privately-~~
- 3       ~~owned irrigation system that is necessary for the~~
- 4       ~~sustained production of diversified agriculture on the~~
- 5       ~~land served by the irrigation system; or~~
- 6       ~~(2) Owns, or partially owns, an irrigation system listed~~
- 7       ~~in subsection (b) (1) through (17)."]~~

8       SECTION 77. Section 346-318, Hawaii Revised Statutes, is

9       repealed.

10       ~~["§346-318 Rx plus special fund. (a) There is~~

11       ~~established within the state treasury, to be administered by the~~

12       ~~department, the Rx plus special fund into which shall be~~

13       ~~deposited:~~

- 14       ~~(1) All moneys received from manufacturers and labelers~~
- 15       ~~who pay rebates as provided in section 346-314;~~
- 16       ~~(2) Appropriations made by the legislature to the fund;~~
- 17       ~~and~~
- 18       ~~(3) Any other revenues designated for the fund.~~

19       ~~(b) Moneys in the Rx plus special fund shall be used for~~

20       ~~the following purposes:~~

- 21       ~~(1) Reimbursement payments to participating pharmacies for~~
- 22       ~~discounts provided to program participants;~~



1       ~~(2) The cost of administering the Rx plus program,~~  
2           ~~including salary and benefits of employees, computer~~  
3           ~~costs, and contracted services as provided in section~~  
4           ~~346-312; and~~

5       ~~(3) Any other purpose deemed necessary by the department~~  
6           ~~for the purpose of operating and administering the Rx~~  
7           ~~plus program.~~

8           ~~All interest on special fund balances shall accrue to the~~  
9       ~~special fund. Upon dissolution of the Rx plus special fund, any~~  
10       ~~unencumbered moneys in the fund shall lapse to the credit of the~~  
11       ~~general fund." ]~~

12           SECTION 78. Section 346-345, Hawaii Revised Statutes, is  
13       repealed.

14           ~~["~~§346-345~~ **Special fund.** (a) There is established~~  
15       ~~within the state treasury to be administered by the department,~~  
16       ~~the state pharmacy assistance program special fund, into which~~  
17       ~~shall be deposited:~~

18           ~~(1) All moneys received from manufacturers that pay~~  
19           ~~rebates as provided in section 346-342(g);~~

20           ~~(2) Appropriations made by the legislature to the fund;~~  
21           ~~and~~

22           ~~(3) Any other revenues designated for the fund.~~



1 ~~(b) Moneys in the state pharmacy assistance program~~

2 ~~special fund may be used for:~~

3 ~~(1) Reimbursement payments to participating pharmacies for~~  
4 ~~co-payments required under the federal medicare part D~~  
5 ~~pharmacy benefit program as provided to state pharmacy~~  
6 ~~assistance program participants;~~

7 ~~(2) The costs of administering the state pharmacy~~  
8 ~~assistance program, including salary and benefits of~~  
9 ~~employees, computer costs, and contracted services as~~  
10 ~~provided in section 346-342(d); and~~

11 ~~(3) Any other purpose deemed necessary by the department~~  
12 ~~for the purpose of operating and administering the~~  
13 ~~state pharmacy [assistance] program.~~

14 ~~All interest on special fund balances shall accrue to the~~  
15 ~~special fund. Upon dissolution of the state pharmacy assistance~~  
16 ~~program special fund, any unencumbered moneys in the fund shall~~  
17 ~~lapse to the general fund.~~

18 ~~(c) The department shall expend all revenues received from~~  
19 ~~rebates paid by pharmaceutical manufacturers pursuant to section~~  
20 ~~346-342(g) to pay for the benefits to enrollees in the state~~  
21 ~~pharmacy assistance program, the costs of administering the~~  
22 ~~program, and reimbursement of medicaid pharmaceutical costs." ]~~



1 SECTION 79. Section 346C-5, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§346C-5] Long-term care benefits fund.~~ (a) ~~There is~~  
4 ~~established in the state treasury the long-term care benefits~~  
5 ~~fund, into which shall be deposited moneys collected as long-~~  
6 ~~term care taxes. The department of budget and finance shall~~  
7 ~~deposit the moneys in federally insured financial institutions~~  
8 ~~in Hawaii to preserve the balance and ensure a reasonable return~~  
9 ~~under prevailing interest rates. Investments of the moneys may~~  
10 ~~be made subject to the requirements of this chapter.~~

11 ~~(b) Expenditures from the fund shall be made solely for~~  
12 ~~the purpose of making benefit payments and the cost of~~  
13 ~~administration.~~

14 ~~(c) Notwithstanding any law to the contrary, moneys in the~~  
15 ~~fund shall not be transferred to another fund at any time nor~~  
16 ~~for any purpose.~~

17 ~~(d) Costs for the administration of the program shall be~~  
18 ~~paid from moneys in the long-term care benefits fund as follows:~~

- 19 ~~(1) Up to four per cent of the total monthly deposit into~~  
20 ~~the fund to cover general administrative expenses; and~~  
21 ~~(2) Up to four per cent of the total monthly amount of~~  
22 ~~claims paid out from the fund may be used to pay for~~



1           ~~administrative expenses related to claims~~  
2           ~~processing." ]~~

3           SECTION 80. Section 431:22-102, Hawaii Revised Statutes,  
4 is repealed.

5           ~~["§431:22-102 Loss mitigation grant fund. (a) There is~~  
6 ~~established a special fund to be designated as the loss~~  
7 ~~mitigation grant fund. Moneys transferred to the loss~~  
8 ~~mitigation grant fund may be expended by the commissioner to~~  
9 ~~carry out the commissioner's duties and obligations under this~~  
10 ~~article. Disbursements from the loss mitigation grant fund~~  
11 ~~shall not be subject to chapter 42F or 91.~~

12           ~~(b) The loss mitigation grant fund may be used by the~~  
13 ~~commissioner to make loss mitigation grants authorized under~~  
14 ~~this article. The loss mitigation grant fund shall also be used~~  
15 ~~by the commissioner to pay for any administrative and~~  
16 ~~operational costs, including personnel costs and marketing~~  
17 ~~costs, associated with a loss mitigation grant program. Any law~~  
18 ~~to the contrary notwithstanding, the commissioner may use the~~  
19 ~~moneys in the loss mitigation grant fund to employ or retain, by~~  
20 ~~contract or otherwise, without regard to chapters 76 and 78,~~  
21 ~~necessary professional, expert, managerial, technical, and~~



1 ~~support personnel to implement and carry out the purposes of~~  
2 ~~this article.~~

3 ~~(c) The commissioner shall prepare an annual report to the~~  
4 ~~director, governor, and the legislature on the use of the loss~~  
5 ~~mitigation grant fund. The report shall provide statistical~~  
6 ~~information on program participation. The report shall be~~  
7 ~~submitted to the legislature no later than twenty days prior to~~  
8 ~~the convening of each regular legislative session." ]~~

9 **PART VI**

10 **Compliance Resolution Fund - Bond Reimbursements**

11 SECTION 81. Section 26-9, Hawaii Revised Statutes, is  
12 amended by amending subsection (o) to read as follows:

13 "(o) Every person licensed under any chapter within the  
14 jurisdiction of the department of commerce and consumer affairs  
15 and every person licensed subject to chapter 485A or registered  
16 under chapter 467B shall pay upon issuance of a license, permit,  
17 certificate, or registration a fee and a subsequent annual fee  
18 to be determined by the director and adjusted from time to time  
19 to ensure that the proceeds, together with all other fines,  
20 income, and penalties collected under this section, do not  
21 surpass the annual operating costs of conducting compliance  
22 resolution activities required under this section. The fees may



1 be collected biennially or pursuant to rules adopted under  
2 chapter 91, and shall be deposited into the special fund  
3 established under this subsection. Every filing pursuant to  
4 chapter 514E or section 485A-202(a)(26) shall be assessed, upon  
5 initial filing and at each renewal period in which a renewal is  
6 required, a fee that shall be prescribed by rules adopted under  
7 chapter 91, and that shall be deposited into the special fund  
8 established under this subsection. Any unpaid fee shall be paid  
9 by the licensed person, upon application for renewal,  
10 restoration, reactivation, or reinstatement of a license, and by  
11 the person responsible for the renewal, restoration,  
12 reactivation, or reinstatement of a license, upon the  
13 application for renewal, restoration, reactivation, or  
14 reinstatement of the license. If the fees are not paid, the  
15 director may deny renewal, restoration, reactivation, or  
16 reinstatement of the license. The director may establish,  
17 increase, decrease, or repeal the fees when necessary pursuant  
18 to rules adopted under chapter 91. The director may also  
19 increase or decrease the fees pursuant to section 92-28.

20       There is created in the state treasury a special fund to be  
21 known as the compliance resolution fund to be expended by the  
22 director's designated representatives as provided by this





1 subsection. Notwithstanding any law to the contrary, all  
2 revenues, fees, and fines collected by the department shall be  
3 deposited into the compliance resolution fund. Unencumbered  
4 balances existing on June 30, 1999, in the cable television fund  
5 under chapter 440G, the division of consumer advocacy fund under  
6 chapter 269, the financial institution examiners' revolving  
7 fund, section 412:2-109, the special handling fund, section 414-  
8 13, and unencumbered balances existing on June 30, 2002, in the  
9 insurance regulation fund, section 431:2-215, shall be deposited  
10 into the compliance resolution fund. This provision shall not  
11 apply to the drivers education fund underwriters fee, sections  
12 431:10C-115 and 431:10G-107, insurance premium taxes and  
13 revenues, revenues of the workers' compensation special  
14 compensation fund, section 386-151, the captive insurance  
15 administrative fund, section 431:19-101.8, the insurance  
16 commissioner's education and training fund, section 431:2-214,  
17 the medical malpractice patients' compensation fund as  
18 administered under section 5 of Act 232, Session Laws of Hawaii  
19 1984, and fees collected for deposit in the office of consumer  
20 protection restitution fund, section 487-14, the real estate  
21 appraisers fund, section 466K-1, the real estate recovery fund,  
22 section 467-16, the real estate education fund, section 467-19,



1 the contractors recovery fund, section 444-26, the contractors  
2 education fund, section 444-29, and the condominium education  
3 trust fund, section 514B-71. Any law to the contrary  
4 notwithstanding, the director may use the moneys in the fund to  
5 employ, without regard to chapter 76, hearings officers and  
6 attorneys. All other employees may be employed in accordance  
7 with chapter 76. Any law to the contrary notwithstanding, the  
8 moneys in the fund shall be used to fund the operations of the  
9 department[-]; provided that, beginning on June 1, 2011, the  
10 director of finance shall transfer moneys from the fund to  
11 retroactively fund all interest payments on general obligation  
12 bonds issued for the purposes of assisting the operations of the  
13 department of commerce and consumer affairs through  
14 infrastructure improvements and shall collect payment for the  
15 interest on the general obligation bonds from the fund each year  
16 thereafter. The moneys in the fund may be used to train  
17 personnel as the director deems necessary and for any other  
18 activity related to compliance resolution.

19 As used in this subsection, unless otherwise required by  
20 the context, "compliance resolution" means a determination of  
21 whether:



1 (1) Any licensee or applicant under any chapter subject to  
2 the jurisdiction of the department of commerce and  
3 consumer affairs has complied with that chapter;

4 (2) Any person subject to chapter 485A has complied with  
5 that chapter;

6 (3) Any person submitting any filing required by chapter  
7 514E or section 485A-202(a)(26) has complied with  
8 chapter 514E or section 485A-202(a)(26);

9 (4) Any person has complied with the prohibitions against  
10 unfair and deceptive acts or practices in trade or  
11 commerce; or

12 (5) Any person subject to chapter 467B has complied with  
13 that chapter;

14 and includes work involved in or supporting the above functions,  
15 licensing, or registration of individuals or companies regulated  
16 by the department, consumer protection, and other activities of  
17 the department.

18 The director shall prepare and submit an annual report to  
19 the governor and the legislature on the use of the compliance  
20 resolution fund. The report shall describe expenditures made  
21 from the fund including non-payroll operating expenses."



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**PART VII**

**Compliance Resolution Fund - Banks**

SECTION 82. The purpose of this Part is to address the taxation of banks and other financial corporations by repealing the requirement that tax revenues from the banking industry be deposited into the compliance resolution fund.

SECTION 83. Section 241-7, Hawaii Revised Statutes, is amended to read as follows:

**"§241-7 Disposition of funds.** All taxes collected under this chapter shall be state realizations [~~; provided that, by June 30 of each fiscal year, the sum of \$2,000,000 shall be deposited with the director of finance to the credit of the compliance resolution fund as established pursuant to section 26-9(e).~~] that shall be deposited into the general fund."

SECTION 84. This Part shall take effect on June 1, 2011, and shall be repealed on December 31, 2015; provided that section 241-7, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Part.



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PART VIII

Land Conservation Fund

SECTION 85. The legislature finds that during the present budget crisis, higher priorities than land conservation exist.

The purpose of this Act is to temporarily suspend the distribution of a portion of the conveyance tax to the land conservation fund.

SECTION 86. Section 173A-5, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) The appropriate percentage identified under section 247-7 of all taxes imposed and collected under chapter 247 shall be deposited in or credited to the fund [~~every fiscal year.~~] after June 30, 2013."

SECTION 87. Section 247-7, Hawaii Revised Statutes, is amended to read as follows:

**"§247-7 Disposition of taxes.** All taxes collected under this chapter shall be paid into the state treasury to the credit of the general fund of the State, to be used and expended for the purposes for which the general fund was created and exists by law; provided that of the taxes collected each fiscal year:

- (1) Ten per cent in each fiscal year after June 30, 2013, shall be paid into the land conservation fund established pursuant to section 173A-5;



1           (2) Twenty-five per cent from July 1, 2009, until June 30,  
2                   2012, and thirty per cent in each fiscal year  
3                   thereafter shall be paid into the rental housing trust  
4                   fund established by section 201H-202; and

5           (3) Twenty per cent from July 1, 2009, until June 30,  
6                   2012, and twenty-five per cent in each fiscal year  
7                   thereafter shall be paid into the natural area reserve  
8                   fund established by section 195-9; provided that the  
9                   funds paid into the natural area reserve fund shall be  
10                  annually disbursed by the department of land and  
11                  natural resources in the following priority:

12           (A) To natural area partnership and forest  
13                   stewardship programs after joint consultation  
14                   with the forest stewardship committee and the  
15                   natural area reserves system commission;

16           (B) Projects undertaken in accordance with watershed  
17                   management plans pursuant to section 171-58 or  
18                   watershed management plans negotiated with  
19                   private landowners, and management of the natural  
20                   area reserves system pursuant to section 195-3;  
21                   and



1 (C) The youth conservation corps established under  
2 chapter 193."

3 SECTION 88. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 89. This Part shall take effect on June 30, 2011.

6 **PART IX**

7 **Master Settlement Agreement Money**

8 SECTION 90. The legislature supports tobacco prevention  
9 and cessation. At the same time, due to economic difficulties,  
10 the State must ensure that core services such as medicaid, state  
11 hospitals, and other core programs addressing the health care  
12 needs of the State are adequately funded to meet the needs of  
13 the public.

14 SECTION 91. Section 328L-2, Hawaii Revised Statutes, is  
15 amended by amending subsection (b) to read as follows:

16 "(b) The fund shall be used for the purpose of receiving,  
17 allocating, and appropriating the tobacco settlement moneys as  
18 follows:

- 19 (1) Fifteen per cent shall be appropriated into the  
20 emergency and budget reserve fund under section 328L-  
21 3; provided that for fiscal years 2011 and 2012, this  
22 percentage shall be deposited into the general fund;



- 1           (2) Twenty-five per cent shall be appropriated to the  
2           department for purposes of section 328L-4;
- 3           (3) Six and one-half per cent shall be appropriated into  
4           the Hawaii tobacco prevention and control trust fund  
5           under section 328L-5; provided that for fiscal years  
6           2011 and 2012, this percentage shall be deposited into  
7           the general fund; and
- 8           (4) Twenty-eight per cent shall be appropriated into the  
9           university revenue-undertakings fund created in  
10          section 304A-2167.5 to be applied to the payment of  
11          the principal of and interest on, and to generate  
12          required coverage, if any, for, revenue bonds issued  
13          by the board of regents of the University of Hawaii to  
14          finance the cost of construction of a university  
15          health and wellness center, including a new medical  
16          school facility, to be situated on the island of Oahu,  
17          for the succeeding fiscal year; and the payment of  
18          annual operating expenses incurred by the new medical  
19          school facility; provided that any moneys in excess of  
20          the amounts required under this paragraph shall be  
21          transferred in the succeeding fiscal year to the





1 emergency and budget reserve fund under section 328L-  
2 3; and  
3 (5) Twenty-five and one-half per cent shall be deposited  
4 to the credit of the state general fund."

5 **PART X**

6 **General Provisions**

7 SECTION 92. (a) On June 30, 2011, the director of finance  
8 shall transfer any unencumbered balances remaining, as of  
9 June 30, 2011, in the funds that are repealed in part V of this  
10 Act to the credit of the general fund.

11 (b) The director of finance shall identify any funds that  
12 are repealed in parts II and V of this Act that contain or  
13 receive deposits from any federal funding source and is  
14 authorized to transfer the portions of those balances consisting  
15 of federal funds into corresponding separate special accounts  
16 within the general fund to enable the continuation of the  
17 purposes funded by the federal funding sources.

18 SECTION 93. It is the intent of this Act not to jeopardize  
19 the receipt of any federal aid nor to impair the obligation of  
20 the State or any agency thereof to the holders of any bond  
21 issued by the State or by any such agency, and to the extent,  
22 and only to the extent, necessary to effectuate this intent, the



1 governor may modify the strict provisions of this Act, but shall  
2 promptly report any such modification with reasons therefore to  
3 the legislature at its next session thereafter for review by the  
4 legislature.

5 SECTION 94. This Act does not affect rights and duties  
6 that matured, penalties that were incurred, and proceedings that  
7 were begun before its effective date.

8 SECTION 95. If any provision of this Act, or the  
9 application thereof to any person or circumstance is held  
10 invalid, the invalidity does not affect other provisions or  
11 applications of the Act, which can be given effect without the  
12 invalid provision or application, and to this end the provisions  
13 of this Act are severable.

14 SECTION 96. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 97. This Act shall take effect upon approval.



**Report Title:**

Certain Special Funds; Certain Revolving Funds; Repeal

**Description:**

Repeals certain special funds and transfers balances to the general fund. Converts certain revolving funds of the University of Hawaii into special funds. Requires the Director of Finance to transfer funds from the Compliance Resolution Fund to fund all interest payments on General Obligation bonds issued on behalf of the Department of Commerce and Consumer Affairs and to annually collect funds from the Compliance Resolution Fund to pay the interest payments on the General Obligation bonds beginning on June 1, 2011. From June 1, 2011 until December 31, 2015, repeals requirement that \$2,000,000 of tax revenues from banks and other financial corporations be deposited into the compliance resolution fund. Temporarily suspends the distribution of a portion of the conveyance tax to the land conservation fund. Temporarily redirects an additional portion of Tobacco Settlement Funds into the general fund. Effective upon approval. (Proposed HD2)

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

