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3 established by statutes that have long been repealed, are  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6 established have been repealed, these funds have outlived their  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

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

14 SECTION 2. Section 28-8.3, Hawaii Revised Statutes, is  
15 amended by amending subsection (a) to read as follows:

16 "(a) No department of the State other than the attorney  
17 general may employ or retain any attorney, by contract or  
18 otherwise, for the purpose of representing the State or the



1 department in any litigation, rendering legal counsel to the  
2 department, or drafting legal documents for the department;  
3 provided that the foregoing provision shall not apply to the  
4 employment or retention of attorneys:

5 (1) By the public utilities commission, the labor and  
6 industrial relations appeals board, and the Hawaii  
7 labor relations board;

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

20 (3) By the legislative reference bureau;

21 (4) By any compilation commission that may be constituted  
22 from time to time;



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



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

13     SECTION 3. On July 1, 2011:

- 14           (1) All moneys in the travel agency recovery fund, the
- 15           travel agency education fund, and the patients'
- 16           compensation fund as of June 30, 2011, shall be
- 17           transferred to the general fund of the State of
- 18           Hawaii; and
- 19           (2) The travel agency recovery fund, the travel agency
- 20           education fund, and the patients' compensation fund
- 21           shall cease to exist.

22



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## PART II

2

SECTION 4. Section 304A-116, Hawaii Revised Statutes, is

3

amended by amending subsection (b) to read as follows:

4

"(b) The provision of child care services may be supported

5

with proceeds from the child care programs [~~revolving~~] special

6

fund established under section [§]304A-2252[§], public funds,

7

and private grants and gifts to pay for the expenses of

8

operation, including payment of principal and interest on any

9

obligations incurred."

10

SECTION 5. Section 304A-2252, Hawaii Revised Statutes, is

11

amended to read as follows:

12

"[§]§304A-2252[§] **Child care programs [~~revolving~~] special**

13

**fund.** There is established a child care programs [~~revolving~~]

14

special fund for the operation of child care programs

15

established under section 304A-116 and the construction and

16

renovation of child care centers established by the University

17

of Hawaii. Fees charged for child care at child care programs,

18

proceeds from donations to the university for child care

19

programs, and proceeds from loans or other instruments of

20

indebtedness for the construction or renovation of child care

21

centers shall be deposited into the [~~revolving~~] special fund.

22

Expenditures from the [~~revolving~~] special fund shall be made for



1 the operation of child care programs and payment of principal  
2 and interest on obligations incurred for the construction or  
3 renovation of child care centers."

4 SECTION 6. Section 304A-2253, Hawaii Revised Statutes, is  
5 amended as follows:

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

7 "(a) There is established a University of Hawaii research  
8 and training revolving fund into which shall be deposited one  
9 hundred per cent of the total amount of indirect overhead  
10 revenues generated by the university from research and training  
11 programs. The board of regents is authorized to expend one  
12 hundred per cent of the revenues deposited in the fund for:

13 (1) Research and training purposes that may result in  
14 additional research and training grants and contracts;

15 (2) Facilitating research and training at the university;  
16 and

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

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

21 "(c) Notwithstanding sections 304A-107[~~7~~] and  
22 [~~+~~] 304A-2254 [~~]~~, ~~and~~ [~~304A-2258~~] to the contrary, the board of



1 regents or its designee, may establish a separate account within  
2 the research and training revolving fund for the purpose of  
3 providing advance funding to meet reimbursable costs incurred in  
4 connection with federally financed research and training  
5 projects. Any reimbursement received as a result of providing  
6 advance funding shall be deposited into the research and  
7 training revolving fund to be used for the purpose of meeting  
8 reimbursable costs incurred in connection with federally  
9 financed projects."

10 SECTION 7. Section 304A-2254, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 "[+]§304A-2254[+] Discoveries and inventions [~~revolving~~]  
13 special fund. There is established a discoveries and inventions  
14 [~~revolving~~] special fund into which shall be deposited a portion  
15 of the total indirect overhead funds generated by the university  
16 for research and training purposes in the prior fiscal year, as  
17 determined by the board of regents. Appropriations by the  
18 legislature subject to the approval of the governor, proceeds  
19 from the commercial exploitation of inventions and intellectual  
20 property developed at the university, gifts, donations, fees  
21 collected, and grants from public agencies and private persons  
22 may also be deposited into the special fund for the purposes of



1 supporting innovation and research commercialization and the  
2 patenting, copyrighting, licensing, and marketing of  
3 discoveries, inventions, and technologies developed at the  
4 university. The special fund shall be used to develop  
5 technologies that have potential commercial value, support the  
6 administration of technology transfer activities, and facilitate  
7 economic development through education and research undertaken  
8 at the university."

9 SECTION 8. Section 304A-2259, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "[+]§304A-2259[+] University of Hawaii alumni [~~revolving~~]  
12 special fund. There is established the University of Hawaii  
13 alumni [~~revolving~~] special fund into which shall be deposited  
14 funds and proceeds received by the university from alumni  
15 activities and donations from alumni. Funds deposited into this  
16 [~~revolving~~] special fund may be expended by the university for  
17 all costs associated with conducting alumni affairs, activities,  
18 and programs for the university system, including but not  
19 limited to expenses for honoraria, hotel and room rentals, food  
20 and refreshment, printing and mailing, banners and signs,  
21 plaques and awards, airfare and per diem, leis, rental of  
22 audiovisual, musical, and stage equipment, and activity supplies





1 and materials, without regard to statutory competitive bidding  
2 requirements."

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

5 "[+]§304A-2261[+] University of Hawaii at Manoa  
6 intercollegiate athletics [~~revolving~~] special fund and  
7 University of Hawaii at Hilo intercollegiate athletics  
8 [~~revolving~~] special fund. Notwithstanding any other law to the  
9 contrary, there are established the University of Hawaii at  
10 Manoa intercollegiate athletics [~~revolving~~] special fund and the  
11 University of Hawaii at Hilo intercollegiate athletics  
12 [~~revolving~~] special fund for the intercollegiate athletic  
13 programs of the University of Hawaii at Manoa and the University  
14 of Hawaii at Hilo, which shall be used to receive, deposit,  
15 disburse, and account for funds from the activities of the  
16 intercollegiate athletic programs. The university may establish  
17 appropriate charges for activities related to its athletic  
18 programs and the use of its athletic facilities, the proceeds  
19 from which shall be deposited into these [~~revolving~~] special  
20 funds.

21 The university shall maintain the financial integrity and  
22 viability of these [~~revolving~~] special funds, including the



1 maintenance of an adequate reserve to cope with the various  
2 factors that impact the revenue structure of an intercollegiate  
3 athletic program."

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

6 "[+]§304A-2262[+] Animal research farm, Waialeale, Oahu  
7 [~~revolving~~] special fund. There is established the animal  
8 research farm, Waialeale, Oahu [~~revolving~~] special fund for the  
9 animal research farm, Waialeale, Oahu, operated by the college of  
10 tropical agriculture and human resources of the University of  
11 Hawaii, into which shall be deposited the receipts from fees  
12 realized from the sale of livestock, services, and supplies.  
13 Funds deposited into this [~~revolving~~] special fund shall be  
14 expended for animal research, and services and supplies related  
15 thereto."

16 SECTION 11. Section 304A-2271, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[+]§304A-2271[+] University of Hawaii-Hilo theatre  
19 [~~revolving~~] special fund. There is established the University  
20 of Hawaii-Hilo theatre [~~revolving~~] special fund, which shall  
21 consist of admissions, advertising sales, corporate  
22 sponsorships, marketing, merchandising, donations, fund-raising,



1 fees, charges, and other moneys collected in conjunction with  
2 the University of Hawaii-Hilo theatre program. The [revolving]  
3 special fund shall be administered by the office of  
4 administrative affairs of the University of Hawaii at Hilo.  
5 Funds may be expended for all costs associated with the theatre  
6 program, including artists' fees, production costs, personnel  
7 costs, honoraria, per diem, hotel and room rentals, food and  
8 refreshments, printing and mailing, advertising, airfare, leis,  
9 rental or purchase of equipment, and theater supplies and  
10 materials."

11 SECTION 12. Section 304A-2158, Hawaii Revised Statutes, is  
12 repealed.

13 ~~["[S304A-2158] Western Governors University special fund.~~  
14 ~~There is established a Western Governors University special fund~~  
15 ~~into which shall be deposited all revenues derived from the~~  
16 ~~State's participation in the Western Governors University,~~  
17 ~~except University of Hawaii income from tuition and fees charged~~  
18 ~~for regular courses of instruction and tuition-related course~~  
19 ~~and fee charges to students. The fund shall be administered by~~  
20 ~~the board of regents of the University of Hawaii and shall be~~  
21 ~~used for the State's membership and participation in the Western~~  
22 ~~Governors University." ]~~



1 SECTION 13. Section 304A-2258, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§304A-2258] University of Hawaii housing assistance~~  
4 ~~revolving fund. There is established the University of Hawaii~~  
5 ~~housing assistance revolving fund into which shall be deposited~~  
6 ~~a portion of the total indirect overhead funds generated by the~~  
7 ~~university for research and training purposes in the prior~~  
8 ~~fiscal year as determined by the board of regents. The fund~~  
9 ~~shall be used to:~~

- 10 ~~(1) Implement the university housing assistance master~~
- 11 ~~plan, in accordance with policies adopted by the board~~
- 12 ~~of regents, and~~
- 13 ~~(2) Account for all transactions of the university housing~~
- 14 ~~assistance program, including but not limited to~~
- 15 ~~revenues, expenditures, loans, and transfers." ]~~

16 SECTION 14. Section 304A-2264, Hawaii Revised Statutes, is  
17 repealed.

18 ~~["§304A-2264] Conference center revolving fund;~~  
19 ~~University of Hawaii at Manoa. There is established the~~  
20 ~~conference center revolving fund for the conference center~~  
21 ~~program in the college of continuing education and community~~  
22 ~~service of the University of Hawaii at Manoa. All fees,~~



1 ~~charges, and other moneys collected in conjunction with the~~  
2 ~~conference center program shall be deposited in the revolving~~  
3 ~~fund. The dean of the college of continuing education and~~  
4 ~~community service is authorized to expend funds from the~~  
5 ~~revolving fund for all costs associated with conducting~~  
6 ~~conferences, seminars, and courses by the conference center~~  
7 ~~program, including but not limited to expenses for honoraria,~~  
8 ~~hotel and room rentals, food and refreshment, printing and~~  
9 ~~mailing, airfare and per diem, leis, rental of audiovisual~~  
10 ~~equipment, and conference supplies and materials." ]~~

11 SECTION 15. Section 304A-2265, Hawaii Revised Statutes, is  
12 repealed.

13 ~~[ " [ § 304A-2265 ] International exchange healthcare tourism~~  
14 ~~revolving fund. (a) There is established the international~~  
15 ~~exchange healthcare tourism revolving fund for the international~~  
16 ~~exchange of healthcare tourism program into which shall be~~  
17 ~~deposited all donations, gifts, contributions, legislative~~  
18 ~~appropriations, and moneys generated by the program through~~  
19 ~~education, training, and research contracts and grants. Moneys~~  
20 ~~deposited into this fund for the school of medicine and the~~  
21 ~~school of nursing and dental hygiene shall be divided into~~  
22 ~~separate accounts for each school, provided that moneys not~~



1 ~~designated for use by a particular school shall be divided~~  
2 ~~equally. Moneys shall be expended from each account by the~~  
3 ~~school of medicine and the school of nursing and dental hygiene,~~  
4 ~~for student aid, training projects, teaching, supplies,~~  
5 ~~services, and activities related to the development and~~  
6 ~~promotion of the health related tourism education program.~~

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

13 SECTION 16. Section 304A-2269, Hawaii Revised Statutes, is  
14 repealed.

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



1 SECTION 17. Section 304A-2353, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§304A-2353] The Senator Hiram L. Fong scholarship~~  
4 ~~program; endowment trust. (a) There is established the Senator~~  
5 ~~Hiram L. Fong scholarship program to be administered by the~~  
6 ~~university with proceeds from an endowment trust that shall~~  
7 ~~receive its initial funding by an appropriation out of the~~  
8 ~~general revenues of the State. The program shall provide~~  
9 ~~financial support to students enrolled at any campus of the~~  
10 ~~university.~~

11 ~~(b) Awards shall be granted annually to one female student~~  
12 ~~and one male student who:~~

- 13 ~~(1) Are graduates of a public high school in the State;~~  
14 ~~(2) Are upperclassmen at the university;~~  
15 ~~(3) Submit winning essays to the board of regents on the~~  
16 ~~senator's contributions to Hawaii;~~  
17 ~~(4) Have a demonstrated commitment to local community~~  
18 ~~issues, as shown by volunteer work and participation~~  
19 ~~in community organizations; and~~  
20 ~~(5) Have a demonstrated interest and knowledge of the~~  
21 ~~history of immigration to Hawaii.~~



1       ~~(e) The amount to be awarded to a student shall be~~  
2       ~~determined by the board of regents with due regard to the total~~  
3       ~~amount of funds available for the program. The award that a~~  
4       ~~student receives under this program may be used to:~~

5           ~~(1) Pay for the costs of tuition and fees for a single~~  
6           ~~academic year;~~

7           ~~(2) Pay for the costs of textbooks and other instructional~~  
8           ~~materials for a single academic year;~~

9           ~~(3) Pay for the costs of room and board at a dormitory or~~  
10          ~~apartment maintained by the university for a single~~  
11          ~~academic year; or~~

12          ~~(4) Defray the difference between student need, as~~  
13          ~~determined by the Free Application for Federal Student~~  
14          ~~Aid, and the total cost of attendance for a single~~  
15          ~~academic year.~~

16          ~~(d) The board of regents shall adopt rules to implement~~  
17          ~~the Senator Hiram L. Fong scholarship program. The rules shall~~  
18          ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
19          ~~public notice and public hearing requirements.~~

20          ~~(e) The scholarship program shall be funded with proceeds~~  
21          ~~from an endowment trust established with initial funding by an~~  
22          ~~appropriation out of the general revenues of the State and shall~~





1 ~~be administered by the board of regents for the purposes of~~  
2 ~~supporting the Senator Hiram L. Fong scholarship program." ]~~

3 SECTION 18. Section 304A-2354, Hawaii Revised Statutes, is  
4 repealed.

5 ~~["[§304A-2354] The Senator Oren E. Long scholarship~~  
6 ~~program; endowment trust. (a) There is established the Senator~~  
7 ~~Oren E. Long scholarship program to be administered by the~~  
8 ~~university with proceeds from an endowment trust that shall~~  
9 ~~receive its initial funding by an appropriation out of the~~  
10 ~~general revenues of the State. The program shall provide~~  
11 ~~financial support to students enrolled at any campus of the~~  
12 ~~university.~~

13 ~~(b) Awards shall be granted annually to one female student~~  
14 ~~and one male student who:~~

- 15 ~~(1) Are graduates of a public high school in the State;~~  
16 ~~(2) Are upperclassmen at the university; and~~  
17 ~~(3) Submit winning essays to the board of regents on the~~  
18 ~~senator's contributions to Hawaii.~~

19 ~~(c) The amount to be awarded to a student shall be~~  
20 ~~determined by the board of regents with due regard to the total~~  
21 ~~amount of funds available for the program. The award that a~~  
22 ~~student receives under this program may be used to:~~



- 1       ~~(1) Pay for the costs of tuition and fees for a single~~  
2           ~~academic year;~~
- 3       ~~(2) Pay for the costs of textbooks and other instructional~~  
4           ~~materials for a single academic year;~~
- 5       ~~(3) Pay for the costs of room and board at a dormitory or~~  
6           ~~apartment maintained by the university for a single~~  
7           ~~academic year; or~~
- 8       ~~(4) Defray the difference between student need, as~~  
9           ~~determined by the Free Application for Federal Student~~  
10          ~~Aid, and the total cost of attendance for a single~~  
11          ~~academic year.~~

12       ~~(d) The board of regents shall adopt rules to implement~~  
13       ~~the Senator Oren E. Long scholarship program. The rules shall~~  
14       ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
15       ~~public notice and public hearing requirements.~~

16       ~~(e) The scholarship program shall be funded with proceeds~~  
17       ~~from an endowment trust established with initial funding by an~~  
18       ~~appropriation out of the general revenues of the State and shall~~  
19       ~~be administered by the board of regents for the purposes of~~  
20       ~~supporting the Senator Oren E. Long scholarship program." ]~~

21       SECTION 19. All fund balances remaining unencumbered and  
22       unexpended as of June 30, 2011, in the University of Hawaii at



1 Manoa conference center revolving fund shall be transferred to  
2 the general fund.

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

9 SECTION 21. The conversion of revolving funds to special  
10 funds pursuant to sections 5, 7, 8, 9, 10, and 11 of this Act  
11 shall in no way be construed as an authorization to remove,  
12 alter, or amend any moneys from any revolving fund other than  
13 for the purposes of this Act and for the allowable uses under  
14 relevant law.

15 **PART III**

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



1           The legislature finds that due to the extraordinary fiscal  
2 circumstances the State is facing, non-general funds must be  
3 reviewed and scrutinized to determine if there is an excess of  
4 balances available to help address the critical budget shortfall  
5 in fiscal year 2011-2012.

6           The purpose of this part is to help address the fiscal year  
7 2011-2012 budget shortfall by transferring excess balances from  
8 various non-general funds into the State's general fund.

9           SECTION 23. The legislature determines that there is in  
10 the state risk management revolving fund at least \$600,000 in  
11 excess of the requirements of the fund. On July 1, 2011, the  
12 director of finance is authorized to transfer from the state  
13 risk management revolving fund to the general fund the sum of  
14 \$600,000 or so much thereof as may be necessary for fiscal year  
15 2011-2012.

16           SECTION 24. The legislature determines that there is in  
17 the medicaid investigations recovery fund at least \$688,000 in  
18 excess of the requirements of the fund. On July 1, 2011, the  
19 director of finance is authorized to transfer from the state  
20 medicaid investigations recovery fund to the general fund the  
21 sum of \$688,000 or so much thereof as may be necessary for  
22 fiscal year 2011-2012.



1 SECTION 25. The legislature determines that there is in  
2 the convention center enterprise special fund at least \$500,000  
3 in excess of the requirements of the fund. On July 1, 2011, the  
4 director of finance is authorized to transfer from the  
5 convention center enterprise special fund to the general fund  
6 the sum of \$500,000 or so much thereof as may be necessary for  
7 fiscal year 2011-2012.

8 SECTION 26. The legislature determines that there is in  
9 the tourism special fund at least \$500,000 in excess of the  
10 requirements of the fund. On July 1, 2011, the director of  
11 finance is authorized to transfer from the tourism special fund  
12 to the general fund the sum of \$500,000 or so much thereof as  
13 may be necessary for fiscal year 2011-2012.

14 SECTION 27. The legislature determines that there is in  
15 the energy security special fund at least \$500,000 in excess of  
16 the requirements of the fund. On July 1, 2011, the director of  
17 finance is authorized to transfer from the energy security  
18 special fund to the general fund the sum of \$500,000 or so much  
19 thereof as may be necessary for fiscal year 2011-2012.

20 SECTION 28. The legislature determines that there is in  
21 the statewide geospatial information and data integration  
22 special fund at least \$500,000 in excess of the requirements of



1 the fund. On July 1, 2011, the director of finance is  
2 authorized to transfer from the statewide geospatial information  
3 and data integration special fund to the general fund the sum of  
4 \$500,000 or so much thereof as may be necessary for fiscal year  
5 2011-2012.

6 SECTION 29. The legislature determines that there is in  
7 the Hawaii community development revolving fund at least  
8 \$2,000,000 in excess of the requirements of the fund. On  
9 July 1, 2011, the director of finance is authorized to transfer  
10 from the Hawaii community development revolving fund to the  
11 general fund the sum of \$2,000,000 or so much thereof as may be  
12 necessary for fiscal year 2011-2012.

13 SECTION 30. The legislature determines that there is in  
14 the aloha tower fund at least \$2,000,000 in excess of the  
15 requirements of the fund. On July 1, 2011, the director of  
16 finance is authorized to transfer from the aloha tower fund to  
17 the general fund the sum of \$2,000,000 or so much thereof as may  
18 be necessary for fiscal year 2011-2012.

19 SECTION 31. The legislature determines that there is in  
20 the compliance resolution fund at least \$1,500,000 in excess of  
21 the requirements of the fund. On July 1, 2011, the director of  
22 finance is authorized to transfer from the compliance resolution



1 fund to the general fund the sum of \$1,500,000 or so much  
2 thereof as may be necessary for fiscal year 2011-2012.

3 SECTION 32. The legislature determines that there is in  
4 the mental health and substance abuse special fund at least  
5 \$4,323,731 in excess of the requirements of the fund. On  
6 July 1, 2011, the director of finance is authorized to transfer  
7 from the mental health and substance abuse special fund to the  
8 general fund the sum of \$4,323,731 or so much thereof as may be  
9 necessary for fiscal year 2011-2012.

10 SECTION 33. The legislature determines that there is in  
11 the drug demand reduction assessments special fund at least  
12 \$717,263 in excess of the requirements of the fund. On July 1,  
13 2011, the director of finance is authorized to transfer from the  
14 drug demand reduction assessments special fund to the general  
15 fund the sum of \$717,263 or so much thereof as may be necessary  
16 for fiscal year 2011-2012.

17 SECTION 34. The legislature determines that there is in  
18 the neurotrauma special fund at least \$400,000 in excess of the  
19 requirements of the fund. On July 1, 2011, the director of  
20 finance is authorized to transfer from the neurotrauma special  
21 fund to the general fund the sum of \$400,000 or so much thereof  
22 as may be necessary for fiscal year 2011-2012.



1 SECTION 35. The legislature determines that there is in  
2 the emergency medical services special fund at least \$2,000,000  
3 in excess of the requirements of the fund. On July 1, 2011, the  
4 director of finance is authorized to transfer from the emergency  
5 medical services special fund to the general fund the sum of  
6 \$2,000,000 or so much thereof as may be necessary for fiscal  
7 year 2011-2012.

8 SECTION 36. The legislature determines that there is in  
9 the electronic device recycling fund at least \$500,000 in excess  
10 of the requirements of the fund. On July 1, 2011, the director  
11 of finance is authorized to transfer from the electronic device  
12 recycling fund to the general fund the sum of \$500,000 or so  
13 much thereof as may be necessary for fiscal year 2011-2012.

14 SECTION 37. The legislature determines that there is in  
15 the environmental management special fund at least \$1,000,000 in  
16 excess of the requirements of the fund. On July 1, 2011, the  
17 director of finance is authorized to transfer from the  
18 environmental management special fund to the general fund the  
19 sum of \$1,000,000 or so much thereof as may be necessary for  
20 fiscal year 2011-2012.

21 SECTION 38. The legislature determines that there is in  
22 the deposit beverage container deposit special fund at least





1 \$1,000,000 in excess of the requirements of the fund. On  
2 July 1, 2011, the director of finance is authorized to transfer  
3 from the deposit beverage container deposit special fund to the  
4 general fund the sum of \$1,000,000 or so much thereof as may be  
5 necessary for fiscal year 2011-2012.

6 SECTION 39. The legislature determines that there is in  
7 the employment and training fund at least \$700,000 in excess of  
8 the requirements of the fund. On July 1, 2011, the director of  
9 finance is authorized to transfer from the employment and  
10 training fund to the general fund the sum of \$700,000 or so much  
11 thereof as may be necessary for fiscal year 2011-2012.

12 SECTION 40. The legislature determines that there is in  
13 the special unemployment insurance administration fund at least  
14 \$1,000,000 in excess of the requirements of the fund. On  
15 July 1, 2011, the director of finance is authorized to transfer  
16 from the special unemployment insurance administration fund to  
17 the general fund the sum of \$1,000,000 or so much thereof as may  
18 be necessary for fiscal year 2011-2012.

19 SECTION 41. The legislature determines that there is in  
20 the special fund for disability benefits at least \$1,000,000 in  
21 excess of the requirements of the fund. On July 1, 2011, the  
22 director of finance is authorized to transfer from the special



1 fund for disability benefits to the general fund the sum of  
2 \$1,000,000 or so much thereof as may be necessary for fiscal  
3 year 2011-2012.

4 SECTION 42. The legislature determines that there is in  
5 the special premium supplementation fund at least \$1,000,000 in  
6 excess of the requirements of the fund. On July 1, 2011, the  
7 director of finance is authorized to transfer from the special  
8 premium supplementation fund to the general fund the sum of  
9 \$1,000,000 or so much thereof as may be necessary for fiscal  
10 year 2011-2012.

11 SECTION 43. The legislature determines that there is in  
12 the rental motor vehicle customer facility charge special fund  
13 at least \$10,000,000 in excess of the requirements of the fund.  
14 On July 1, 2011, the director of finance is authorized to  
15 transfer from the rental motor vehicle customer facility charge  
16 special fund to the general fund the sum of \$10,000,000 or so  
17 much thereof as may be necessary for fiscal year 2011-2012.

18 SECTION 44. The legislature determines that there is in  
19 the rental assistance revolving fund at least \$41,100 in excess  
20 of the requirements of the fund. On July 1, 2011, the director  
21 of finance is authorized to transfer from the rental assistance



1 revolving fund to the general fund the sum of \$41,100 or so much  
2 thereof as may be necessary for fiscal year 2011-2012.

3 SECTION 45. The legislature determines that there is in  
4 the rental housing assistance fund at least \$518,193 in excess  
5 of the requirements of the fund. On July 1, 2011, the director  
6 of finance is authorized to transfer from the rental housing  
7 assistance fund to the general fund the sum of \$518,193 or so  
8 much thereof as may be necessary for fiscal year 2011-2012.

9 SECTION 46. The legislature determines that there is in  
10 the travel agency recovery fund at least \$22 in excess of the  
11 requirements of the fund. On July 1, 2011, the director of  
12 finance is authorized to transfer from the travel agency  
13 recovery fund to the general fund the sum of \$22 or so much  
14 thereof as may be necessary for fiscal year 2011-2012.

15 SECTION 47. The legislature determines that there is in  
16 the travel agency education fund at least \$21,449 in excess of  
17 the requirements of the fund. On July 1, 2011, the director of  
18 finance is authorized to transfer from the travel agency  
19 education fund to the general fund the sum of \$21,449 or so much  
20 thereof as may be necessary for fiscal year 2011-2012.





1 ~~revenues deposited into the irrigation water~~  
2 ~~development special fund]."~~

3 SECTION 50. Section 346-311, Hawaii Revised Statutes, is  
4 amended by amending the definition of "secondary discounted  
5 price" to read as follows:

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

9 SECTION 51. Section 346-344, Hawaii Revised Statutes, is  
10 amended by amending subsections (a) and (b) to read as follows:

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

17 (b) The state pharmacy assistance program is the payor of  
18 last resort ~~[subject to the sufficiency of funds in the state~~  
19 ~~pharmacy assistance program special fund]~~, as determined by the  
20 department."

21 SECTION 52. Section 431:22-103, Hawaii Revised Statutes,  
22 is amended to read as follows:



1           "~~[+]§431:22-103[+]~~ Establishment of loss mitigation grant  
2 program. The commissioner shall develop and implement a pilot  
3 grant program to encourage the installation of wind resistive  
4 devices. The commissioner may spend up to \$6,000,000 [~~from the~~  
5 ~~loss mitigation grant fund~~] over three years for the grant  
6 program, which amounts shall include the costs of administering,  
7 operating, and marketing the grant program.

8           For the first year of the grant program, the commissioner  
9 may make grants only to former policyholders of the Hawaii  
10 hurricane relief fund. From the second year onward, the  
11 commissioner may also make grants to all single or multi-family  
12 residential owners, which may include owners of townhouse units  
13 or condominium apartments under section 431:22-104(c)(3)."

14           SECTION 53. Section 431P-16, Hawaii Revised Statutes, is  
15 amended by amending subsection (i) to read as follows:

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

19           ~~[(A)]~~ (1) The net moneys in the hurricane reserve trust  
20 fund shall revert to the state general fund after  
21 payments by the fund on behalf of licensed property  
22 and casualty insurers or the State that are required



1 to be made pursuant to any federal disaster insurance  
2 program enacted to provide insurance or reinsurance  
3 for hurricane risks are completed; and

4 ~~[(B)]~~ (2) If such moneys are paid on behalf of licensed  
5 property and casualty insurers, payment shall be made  
6 in proportion to the premiums from policies of  
7 hurricane property insurance serviced by the insurers  
8 in the twelve months prior to dissolution of the fund;

9 ~~[or~~

10 ~~(2) Deposited to the loss mitigation grant fund~~  
11 ~~established under section 431:22-102,]~~

12 provided that all interest earned from the principal in the  
13 hurricane reserve trust fund shall be transferred and deposited  
14 into the general fund each year that the hurricane reserve trust  
15 fund remains in existence."

16 SECTION 54. Section 431P-16.5, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[~~{~~§431P-16.5[~~}~~ ~~Transfer of funds; immunity]~~ Immunity.

19 There shall be no cause of action, claim for damages or relief,  
20 charge, or any other liability of any kind whatsoever created  
21 against the State, the Hawaii hurricane relief fund, the  
22 commissioner, or their respective agents, employees, or board,



1 by, or relating to [~~the transfer of any moneys from the~~  
2 ~~hurricane reserve trust fund to the loss mitigation grant fund~~  
3 ~~or from the loss mitigation grant fund to the hurricane reserve~~  
4 ~~trust fund or involving~~] the loss mitigation grant program."

5 SECTION 55. Section 516-5, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "**§516-5 Penalty.** Any person who violates this chapter  
8 shall be fined not more than \$5,000 nor less than \$1,000 or  
9 imprisoned not more than one year, or both. All fines collected  
10 shall be deposited in the general fund [~~fee simple [residential]~~  
11 ~~revolving fund created by this chapter~~]."

12 SECTION 56. Section 516-45, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "**§516-45 General obligation bonds.** The director of  
15 finance may, from time to time, issue general obligation bonds  
16 in such amounts as may be authorized by the legislature, for the  
17 purpose of acquisition by the Hawaii housing finance and  
18 development corporation of residential houselots within  
19 development tracts pursuant to chapter 516, part II or for the  
20 acquisition of suitable properties to exchange pursuant to  
21 section 516-24.5 or for the acquisition by the department of  
22 land and natural resources under section 171-50.1 of suitable





1 properties for exchange pursuant to section 171-50.2 to  
2 effectuate the purpose of this chapter. The principal and  
3 interest of general obligation bonds issued pursuant to this  
4 section shall be reimbursed to the general fund [~~from the fee~~  
5 ~~simple residential revolving fund as provided in section~~  
6 ~~516-44~~]. Pending the receipt of funds from the issuance and  
7 sale of general obligation bonds, amounts required within the  
8 limits of legislative authorization may be advanced to the  
9 Hawaii housing finance and development corporation from the  
10 general fund of the State. Upon the receipt of the bond funds,  
11 the general fund shall be reimbursed the amount advanced."

12 **PART V**

13 SECTION 57. Section 167-22.5, Hawaii Revised Statutes, is  
14 repealed.

15 [~~["§167-22.5] Irrigation water development special fund.~~

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

18 ~~(1) Appropriations by the legislature to the irrigation~~  
19 ~~water development special fund;~~

20 ~~(2) All receipts and revenues derived from irrigation~~  
21 ~~projects financed through the issuance of revenue~~  
22 ~~bonds;~~



- 1       ~~(3) All or any portion of the receipts and revenues~~  
2       ~~collected under this chapter, as determined by the~~  
3       ~~board, whether or not receipts or revenues are derived~~  
4       ~~from irrigation projects financed through the issuance~~  
5       ~~of revenue bonds; and~~
- 6       ~~(4) Interest earned or accrued on moneys in the irrigation~~  
7       ~~water development special fund.~~
- 8       ~~(b) Moneys in the irrigation water development special~~  
9       ~~fund shall be used by the board for the following purposes:~~
- 10       ~~(1) Planning, design, improvement, construction, land~~  
11       ~~acquisition, and equipment necessary for the~~  
12       ~~development, operation, or maintenance of an~~  
13       ~~irrigation project;~~
- 14       ~~(2) Payment of debt service on revenue bonds issued by the~~  
15       ~~department for irrigation project purposes, and the~~  
16       ~~establishment of debt service and other revenues~~  
17       ~~deemed necessary by the board;~~
- 18       ~~(3) Reimbursement of the general fund for debt service on~~  
19       ~~general obligation bonds issued to finance irrigation~~  
20       ~~projects where the bonds are designated to be~~  
21       ~~reimbursable out of the irrigation water development~~  
22       ~~special fund; and~~



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

5       SECTION 58. Section 167-24, Hawaii Revised Statutes, is  
6       repealed.

7       ~~["~~§167-24~~ Irrigation repair and maintenance special~~  
8       ~~fund.~~ (a) ~~There is established in the state treasury the~~  
9       ~~irrigation repair and maintenance special fund that shall be~~  
10      ~~administered by the board.~~

11      ~~(b) Moneys in the irrigation repair and maintenance~~  
12      ~~special fund shall be used to fund repair and maintenance of the~~  
13      ~~following irrigation systems:~~

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



- 1       ~~(10) Waimea irrigation system;~~
- 2       ~~(11) East Maui irrigation system;~~
- 3       ~~(12) Kauai coffee irrigation system;~~
- 4       ~~(13) West Maui irrigation system;~~
- 5       ~~(14) Kau irrigation system;~~
- 6       ~~(15) Honomalino irrigation system;~~
- 7       ~~(16) Wahiawa reservoir and ditch system; and~~
- 8       ~~(17) Other privately owned irrigation systems on former~~
- 9               ~~sugarcane and pineapple plantation lands that have~~
- 10              ~~been converted to diversified agriculture.~~
- 11       ~~(c) The irrigation repair and maintenance special fund~~
- 12       ~~shall be funded by legislative appropriations, including general~~
- 13       ~~obligation bond funds and federal funds.~~
- 14       ~~(d) Landowners may apply for funding assistance from the~~
- 15       ~~irrigation repair and maintenance special fund; provided that~~
- 16       ~~the landowner:~~
- 17           ~~(1) Provides matching funding equal to the amount received~~
- 18           ~~from the irrigation repair and maintenance special~~
- 19           ~~fund;~~
- 20           ~~(2) Agrees to file a petition for declaratory ruling~~
- 21           ~~pursuant to section 205-45 designating a majority of~~
- 22           ~~all land served by the water produced by the~~



1 ~~irrigation system as important agricultural lands as~~  
2 ~~defined under section 205 42 and notifies the board~~  
3 ~~and county of the petition and designation for the~~  
4 ~~purpose of inclusion on maps; and~~

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

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

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

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

21 ~~"Irrigation system" means the agricultural system of~~  
22 ~~intakes, diversions, wells, ditches, siphons, pipes, reservoirs,~~



1 ~~and accessory facilities established to provide water for~~  
2 ~~agricultural production.~~

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

4 ~~(1) Owns agricultural land, formerly used as a sugarcane~~  
5 ~~or pineapple plantation, that contains a privately-~~  
6 ~~owned irrigation system that is necessary for the~~  
7 ~~sustained production of diversified agriculture on the~~  
8 ~~land served by the irrigation system; or~~

9 ~~(2) Owns, or partially owns, an irrigation system listed~~  
10 ~~in subsection (b) (1) through (17)."]~~

11 SECTION 59. Section 304A-2257, Hawaii Revised Statutes, is  
12 repealed.

13 ~~["~~§304A-2257~~ University of Hawaii student activities~~

14 ~~revolving fund. (a) There is established the University of~~  
15 ~~Hawaii student activities revolving fund into which shall be~~  
16 ~~deposited all funds assessed as compulsory student activity fees~~  
17 ~~and collected by the University of Hawaii on behalf of chartered~~  
18 ~~student organizations and student activity programs of the~~  
19 ~~several campuses of the University of Hawaii system. All~~  
20 ~~revenues received by chartered student organizations and student~~  
21 ~~activity programs from student activities and programs, except~~



1 ~~those revenues to which other special funds have prior claim,~~  
2 ~~shall also be deposited into the revolving fund.~~

3 ~~(b) Separate accounts shall be maintained for each~~  
4 ~~chartered student organization and student activity program.~~  
5 ~~Funds from the accounts may be withdrawn and expended by each~~  
6 ~~respective chartered student organization or student activity~~  
7 ~~program for any purpose that it deems necessary and proper to~~  
8 ~~carry out and achieve its educational responsibilities,~~  
9 ~~programs, and related activities, provided that approval for the~~  
10 ~~expenditure is first obtained from the board of regents or its~~  
11 ~~designated representative, except that approval is not required~~  
12 ~~for expenditures for the purchase of flowers, leis, food,~~  
13 ~~refreshments, and prizes if the purchases do not exceed an~~  
14 ~~amount determined by policies adopted by the board of regents,~~  
15 ~~and provided further that the amount shall not exceed the funds~~  
16 ~~available to any chartered student organization or student~~  
17 ~~activity program annually.~~

18 ~~(c) Other laws to the contrary notwithstanding, any~~  
19 ~~chartered student organization may be permitted to withdraw and~~  
20 ~~expend funds from the special accounts to employ or retain, by~~  
21 ~~contract or otherwise, an attorney or attorneys only for the~~  
22 ~~purpose of defending such organization in any litigation. Any~~



1 ~~chartered student organization specifically organized to provide~~  
2 ~~student publications or broadcast communications may also be~~  
3 ~~permitted to withdraw and expend funds from the special accounts~~  
4 ~~to employ or retain, by contract or otherwise, an attorney for~~  
5 ~~the purpose of rendering legal advice to avoid lawsuits. The~~  
6 ~~expenditures in this subsection shall be approved by, and in~~  
7 ~~accordance with policies adopted by, the board of regents. No~~  
8 ~~funds expended under this subsection may be used to defend~~  
9 ~~chartered student organizations for any wilful or malicious act~~  
10 ~~or to pay for any claim for loss or damage arising from the~~  
11 ~~activities of the chartered student organizations, including~~  
12 ~~costs, expenses, and liabilities incurred in connection with any~~  
13 ~~claim or proceeding brought against a chartered student~~  
14 ~~organization for damages resulting from the act or omission of a~~  
15 ~~chartered student organization or any member thereof. All~~  
16 ~~moneys received for the University of Hawaii student activities~~  
17 ~~revolving fund shall be deposited in a depository maintained by~~  
18 ~~the university in accordance with policies that shall be adopted~~  
19 ~~by the board of regents." ]~~

20 SECTION 60. 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 61. Section 346-318, Hawaii Revised Statutes, is  
10 repealed.

11           ~~["§346-318 Rx plus special fund. (a) There is~~  
12 ~~established within the state treasury, to be administered by the~~  
13 ~~department, the Rx plus special fund into which shall be~~  
14 ~~deposited:~~

15           ~~(1) All moneys received from manufacturers and labelers~~  
16           ~~who pay rebates as provided in section 346-314;~~

17           ~~(2) Appropriations made by the legislature to the fund;~~  
18           ~~and~~

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

20           ~~(b) Moneys in the Rx plus special fund shall be used for~~  
21 ~~the following purposes:~~



- 1       ~~(1) Reimbursement payments to participating pharmacies for~~  
2       ~~discounts provided to program participants;~~
- 3       ~~(2) The cost of administering the Rx plus program,~~  
4       ~~including salary and benefits of employees, computer~~  
5       ~~costs, and contracted services as provided in section~~  
6       ~~346-312; and~~
- 7       ~~(3) Any other purpose deemed necessary by the department~~  
8       ~~for the purpose of operating and administering the Rx~~  
9       ~~plus program.~~

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

14       SECTION 62. Section 346-345, Hawaii Revised Statutes, is  
15       repealed.

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

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



1 ~~(2) Appropriations made by the legislature to the fund,~~  
2 ~~and~~

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

4 ~~(b) Moneys in the state pharmacy assistance program~~  
5 ~~special fund may be used for:~~

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

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

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

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

21 ~~(c) The department shall expend all revenues received from~~  
22 ~~rebates paid by pharmaceutical manufacturers pursuant to section~~



1 ~~346-342(g) to pay for the benefits to enrollees in the state~~  
2 ~~pharmacy assistance program, the costs of administering the~~  
3 ~~program, and reimbursement of medicaid pharmaceutical costs."]~~

4 SECTION 63. Section 431:22-102, Hawaii Revised Statutes,  
5 is repealed.

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

13 ~~(b) The loss mitigation grant fund may be used by the~~  
14 ~~commissioner to make loss mitigation grants authorized under~~  
15 ~~this article. The loss mitigation grant fund shall also be used~~  
16 ~~by the commissioner to pay for any administrative and~~  
17 ~~operational costs, including personnel costs and marketing~~  
18 ~~costs, associated with a loss mitigation grant program. Any law~~  
19 ~~to the contrary notwithstanding, the commissioner may use the~~  
20 ~~moneys in the loss mitigation grant fund to employ or retain, by~~  
21 ~~contract or otherwise, without regard to chapters 76 and 78,~~  
22 ~~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 SECTION 64. Section 516-44, Hawaii Revised Statutes, is  
10 repealed.

11 [~~"§516-44 Fee simple residential revolving fund. A fee~~  
12 ~~simple residential revolving fund is created. The funds~~  
13 ~~appropriated for the purposes of this chapter and chapter 519~~  
14 ~~and all moneys received or collected by the Hawaii housing~~  
15 ~~finance and development corporation under this chapter and~~  
16 ~~chapter 519 shall be deposited in the revolving fund. Moneys~~  
17 ~~collected to reimburse the corporation from the lessees for~~  
18 ~~their pro rata share of the direct costs incurred by the~~  
19 ~~corporation under this chapter shall be deposited into the~~  
20 ~~revolving fund. The proceeds in the funds shall first be used~~  
21 ~~to pay the principal and interest on bonds or other indebtedness~~  
22 ~~issued by the corporation, or by the State, and then for~~



1 ~~necessary expenses, including indirect costs of the corporation~~  
2 ~~in administering chapters 516 and 519.~~

3 ~~Moneys in the fund shall be used to pay all costs of~~  
4 ~~chapters 516 and 519 including administration."]~~

5 **PART VI**

6 SECTION 65. (a) On July 1, 2011, the director of finance  
7 shall transfer any unencumbered balances remaining, as of  
8 June 30, 2011, in the special funds that are repealed in part V  
9 of this Act to the credit of the general fund.

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

17 SECTION 66. It is the intent of this Act not to jeopardize  
18 the receipt of any federal aid nor to impair the obligation of  
19 the State or any agency thereof to the holders of any bond  
20 issued by the State or by any such agency, and to the extent,  
21 and only to the extent, necessary to effectuate this intent, the  
22 governor may modify the strict provisions of this Act, but shall



1 promptly report any such modification with reasons therefor to  
2 the legislature at its next session thereafter for review by the  
3 legislature.

4 SECTION 67. This Act does not affect rights and duties  
5 that matured, penalties that were incurred, and proceedings that  
6 were begun before its effective date.

7 SECTION 68. If any provision of this Act, or the  
8 application thereof to any person or circumstance is held  
9 invalid, the invalidity does not affect other provisions or  
10 applications of the Act, which can be given effect without the  
11 invalid provision or application, and to this end the provisions  
12 of this Act are severable.

13 SECTION 69. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 70. This Act shall take effect on July 1, 2011.

16



**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. (Proposed SD1)

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

