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## A BILL FOR AN ACT

RELATING TO THE STATE OF HAWAII ENDOWMENT FUND.

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

1           SECTION 1. The purpose of this Act is to enhance and  
2 broaden the purposes of the State of Hawaii endowment fund,  
3 which is a separate fund of the Honolulu symphony trust. The  
4 legislature finds that the income and capital gains from the  
5 endowment fund should also be used for music production,  
6 performances, and music education, in addition to the current  
7 limited purpose of the production of music by an Oahu-based  
8 symphony orchestra.

9           The Honolulu symphony endowment fund was created in 1987 to  
10 be used to fund the Honolulu symphony operations. In 1988, the  
11 name of the fund was changed to the State of Hawaii endowment  
12 fund. In 1995, a portion of the income and capital gains from  
13 the fund was transferred to the state foundation on culture and  
14 the arts, to be used for the production of music by an Oahu-  
15 based symphony orchestra as determined by the state foundation  
16 on culture and the arts.

17           The legislature notes that, to date, the state foundation  
18 on culture and the arts has not played any significant role in



1 the management and administration of the fund. More  
2 importantly, as of December 2010, the Honolulu symphony society  
3 filed for Chapter 7 bankruptcy. Consequently, this Act also  
4 clarifies that the endowment fund shall be administered by the  
5 department of accounting and general services.

6 SECTION 2. Section 40-88, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

8 "(a) There shall be established [~~as a separate fund of the~~  
9 ~~Honolulu symphony trust created by the trust agreement dated~~  
10 ~~December 5, 1986,~~] a fund to be known as the State of Hawaii  
11 endowment fund[-], which shall be administered by the department  
12 of accounting and general services. The income and capital  
13 gains from the [~~\$2,000,000 contributed by the State of Hawaii~~  
14 ~~shall be transferred on a quarterly basis to the state~~  
15 ~~foundation on culture and the arts, performing and visual arts~~  
16 ~~events private contribution account to] fund shall be used for  
17 [~~the production of music by an Oahu based symphony orchestra as~~  
18 ~~determined by the state foundation on culture and the arts.]  
19 cultivating music production, performances, and music education  
20 throughout the State. The State of Hawaii endowment fund shall  
21 be subject to the restrictions that:~~~~



- 1           (1) No part of the principal amount contributed to the  
2                   fund by the State or by matching grants shall be used  
3                   for operations of the Honolulu symphony;
- 4           (2) Income and capital gains from the fund shall not be  
5                   distributed for use in the operations of the Honolulu  
6                   symphony during any period that the value of the fund  
7                   shall be less than the principal amounts contributed  
8                   to the fund; and
- 9           (3) The amounts contributed to the fund by the State shall  
10                   revert to the State to the extent that matching or  
11                   other conditions to the grant of the funds are not  
12                   met, and the fund also shall be subject to additional  
13                   restrictions as may be imposed with respect to  
14                   transfers of funds in future legislation appropriating  
15                   sums to be contributed to the fund."

16           SECTION 3. Act 97, Session Laws of Hawaii 2006, is amended  
17 by amending section 2 to read as follows:

18           "SECTION 2. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$4,000,000 or so much  
20 thereof as may be necessary for fiscal year 2006-2007 to be  
21 deposited into the State of Hawaii endowment fund, from which  
22 the income and capital gains shall be used for [~~the production~~



1 ~~of music by an Oahu based symphony orchestra,]~~ cultivating music  
 2 production, performances, and music education throughout the  
 3 State; provided that the funds appropriated in this section are  
 4 matched, dollar-for-dollar, by private funds[-] or pledges  
 5 pursuant to section 40-88, Hawaii Revised Statutes.


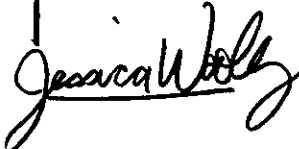

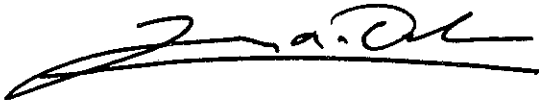
6 The sum appropriated shall be expended by the department of  
 7 accounting and general services for the purposes of this Act."

8 SECTION 4. Statutory material to be repealed is bracketed  
 9 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

  
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JAN 25 2011



**Report Title:**

State of Hawaii Endowment Fund; DAGS

**Description:**

Broadens the purposes of the State of Hawaii endowment fund to encompass the cultivation of music production, performances, and music education. Clarifies that the department of accounting and general services shall administer the endowment fund.

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

