
A BILL FOR AN ACT

RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND.

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

1 SECTION 1. Section 328L-3, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

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

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

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

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

17 For the purpose of this section, the general fund
18 balance at the close of the fiscal year shall be



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

13 provided that all moneys deposited into the emergency and budget
14 reserve fund under paragraphs (1) and (2) and all moneys
15 deposited under paragraph (3) shall be kept in separate and
16 distinct accounts."

17 SECTION 2. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 3. This Act shall take effect on June 30, 2011;
20 provided that the amendment made to section 328L-3, Hawaii
21 Revised Statutes, by section 1 of this Act shall not be repealed
22 when section 328L-3, Hawaii Revised Statutes, is reenacted on



H.B. NO. 564

1 June 30, 2015, pursuant to section 6 of Act 119, Session Laws of
2 Hawaii 2009.

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INTRODUCED BY:

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JAN 21 2011



Report Title:

Emergency and Budget Reserve Fund; General Fund Balance

Description:

Increases from 5% to 10% the percentage of moneys from the excess general fund balance to be deposited into the emergency and budget reserve fund as a temporary source of funding for the State during times of emergency, severe economic downturn, and unforeseen reduction in revenues.

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