
A BILL FOR AN ACT

RELATING TO THE STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND.

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

1 SECTION 1. Section 36-32, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:
3 "(a) There is created in the treasury of the State the
4 state educational facilities improvement special fund~~[, into~~
5 ~~which shall be deposited a portion of all general excise tax~~
6 ~~revenues collected by the department of taxation under section~~
7 ~~237-31]~~. The special fund shall be used solely to plan, design,
8 acquire lands for, and to construct public school facilities and
9 to provide equipment and technology infrastructure to improve
10 public schools and other facilities under the jurisdiction of
11 the department of education, except public libraries. In
12 addition, activities of the department of education intended to
13 eliminate the gap between the facility needs of schools and
14 available resources shall be eligible for funding from the
15 special fund. Expenditures from the special fund shall be
16 limited to projects authorized by the legislature for fiscal
17 years ending prior to July 1, 2013, and shall be subject to



1 sections 37-31, and 37-33 through 37-40. Appropriations or
2 authorizations from the special fund shall be expended by the
3 superintendent of education.

4 (b) There is established within the state educational
5 facilities improvement special fund a separate account, to be
6 known as the lease payments for schools account, for lease
7 payments required by financing agreements entered into by the
8 department of education prior to July 1, 2012, pursuant to this
9 section and sections 37D-2 and 302A-1506. The lease payments
10 for schools account shall be funded by legislative
11 appropriations and expended by the superintendent of education.
12 Expenditures from the lease payments for schools account shall
13 be exempt from chapters 103 and 103D and are restricted to lease
14 payments on new schools included within the department of
15 education's current six year capital improvement programs and
16 for which:

- 17 (1) The legislature adopted a concurrent resolution
18 directing the department of education to:
- 19 (A) Build a new school in a specific geographic area
20 using the design-build method; and
- 21 (B) Pursue the use of a financing agreement to build
22 the new school; or



1 (2) The legislature appropriated planning and design funds
2 and specified that the remainder of the costs
3 necessary to complete the project are eligible for
4 funding through a financing agreement;
5 provided that any school to which the legislature has
6 appropriated planning and design funds prior to July 1, 2007,
7 and for which a private developer is willing to enter into a
8 lease-purchase agreement with the department of education within
9 twelve months of July 1, 2007, is exempt from the requirements
10 of [†]paragraphs[†] (1) and (2)."

11 SECTION 2. Section 237-31, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§237-31 Remittances.** All remittances of taxes imposed by
14 this chapter shall be made by money, bank draft, check,
15 cashier's check, money order, or certificate of deposit to the
16 office of the department of taxation to which the return was
17 transmitted. The department shall issue its receipts therefor
18 to the taxpayer and shall pay the moneys into the state treasury
19 as a state realization, to be kept and accounted for as provided
20 by law; provided that:

21 ~~[-(1) The sum from all general excise tax revenues realized~~
22 ~~by the State that represents the difference between~~



1 ~~\$45,000,000 and the proceeds from the sale of any~~
2 ~~general obligation bonds authorized for that fiscal~~
3 ~~year for the purposes of the state educational~~
4 ~~facilities improvement special fund shall be deposited~~
5 ~~in the state treasury in each fiscal year to the~~
6 ~~credit of the state educational facilities improvement~~
7 ~~special fund;~~

8 ~~(2)~~ (1) A sum, not to exceed \$5,000,000, from all general
9 excise tax revenues realized by the State shall be
10 deposited in the state treasury in each fiscal year to
11 the credit of the compound interest bond reserve fund;
12 and

13 ~~(3)~~ (2) A sum from all general excise tax revenues
14 realized by the State that is equal to one-half of the
15 total amount of funds appropriated or transferred out
16 of the hurricane reserve trust fund under sections 4
17 and 5 of Act 62, Session Laws of Hawaii 2011, shall be
18 deposited into the hurricane reserve trust fund in
19 fiscal year 2013-2014 and in fiscal year 2014-2015;
20 provided that the deposit required in each fiscal year
21 shall be made by October 1 of that fiscal year."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon approval.



Report Title:

State Educational Facilities Improvement Special Fund

Description:

Removes the requirement that general excise tax revenues be deposited to the credit of the state educational facilities improvement special fund. Limits expenditures from the special fund to projects authorized by the legislature for fiscal years ending prior to 7/1/2013. Limits lease payments required by financing agreements paid from the special fund to those entered into prior to 7/1/2012. (SD2)

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