
A BILL FOR AN ACT

MAKING APPROPRIATIONS TO RECAPITALIZE STATE FISCAL RESERVES.

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

1 SECTION 1. The legislature finds that ongoing effects of
2 one of the most challenging economic periods in Hawaii's history
3 have necessitated the use of the State's reserve funds,
4 specifically the Hawaii hurricane relief fund. These funds were
5 used in fiscal year 2010-2011 to maintain essential education,
6 public health, and public welfare programs. As of June 30,
7 2011, the adjusted balance (adjusted to accommodate all of the
8 transfers authorized by Act 62, Session Laws of Hawaii 2011) for
9 the Hawaii hurricane relief fund was approximately \$8,800,000.

10 Finally, bond rating agencies have expressed concern with
11 the near depletion of reserves, such as the Hawaii hurricane
12 relief fund, in fiscal year 2010-2011. To respond to the rating
13 agencies' concern, the legislature is proposing to accelerate
14 recapitalization of its reserves.

15 The purpose of this Act is to appropriate general funds to
16 the Hawaii hurricane relief fund. As the State continues its
17 economic recovery, accelerated recapitalization of this reserve
18 fund is prudent and fiscally sound.



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

3 "§237-31 **Remittances.** All remittances of taxes imposed by
4 this chapter shall be made by money, bank draft, check,
5 cashier's check, money order, or certificate of deposit to the
6 office of the department of taxation to which the return was
7 transmitted. The department shall issue its receipts therefor
8 to the taxpayer and shall pay the moneys into the state treasury
9 as a state realization, to be kept and accounted for as provided
10 by law; provided that:

11 (1) The sum from all general excise tax revenues realized
12 by the State that represents the difference between
13 \$45,000,000 and the proceeds from the sale of any
14 general obligation bonds authorized for that fiscal
15 year for the purposes of the state educational
16 facilities improvement special fund shall be deposited
17 in the state treasury in each fiscal year to the
18 credit of the state educational facilities improvement
19 special fund; and

20 (2) A sum, not to exceed \$5,000,000, from all general
21 excise tax revenues realized by the State shall be
22 deposited in the state treasury in each fiscal year to



1 the credit of the compound interest bond reserve
2 fund[; and
3 ~~(3) A sum from all general excise tax revenues realized by~~
4 ~~the State that is equal to one half of the total~~
5 ~~amount of funds appropriated or transferred out of the~~
6 ~~hurricane reserve trust fund under sections 4 and 5 of~~
7 ~~Act 62, Session Laws of Hawaii 2011, shall be~~
8 ~~deposited into the hurricane reserve trust fund in~~
9 ~~fiscal year 2013-2014 and in fiscal year 2014-2015;~~
10 ~~provided that the deposit required in each fiscal year~~
11 ~~shall be made by October 1 of that fiscal year]."~~

12 SECTION 3. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so much
14 thereof as may be necessary for fiscal year 2011-2012 and the
15 sum of \$ or so much thereof as may be necessary for
16 fiscal year 2012-2013 for the purposes of recapitalizing the
17 Hawaii hurricane relief fund.

18 The sums appropriated shall be expended by the department
19 of commerce and consumer affairs for the purposes of this Act.

20 SECTION 4. This Act shall take effect on July 1, 2030.



Report Title:

Hawaii Hurricane Relief Fund; Appropriation

Description:

Makes general fund appropriations of unspecified amounts for fiscal years 2011-2012 and 2012-2013 to recapitalize the Hawaii Hurricane Relief Fund. Effective July 1, 2030. (SB2784 HD1)

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