



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

July 3, 2013

**GOV. MSG. NO. 1370**

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 3, 2013, the following bill was signed into law:

SB1094 SD1 HD1 CD1

MAKING AN APPROPRIATION TO THE  
EMERGENCY AND BUDGET RESERVE FUND  
**ACT 267 (13)**

*Aloha*  
Sincerely,  
*Neil Abercrombie*

NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor  
on JUL 3 2013

**ACT 267**

THE SENATE  
TWENTY-SEVENTH LEGISLATURE, 2013  
STATE OF HAWAII

**S.B. NO.** 1094  
S.D. 1  
H.D. 1  
C.D. 1

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# A BILL FOR AN ACT

MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE  
FUND.

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

1           SECTION 1. The State is emerging from one of the most  
2 challenging economic periods in its history. During the last  
3 several years, extreme measures had to be taken to keep the  
4 State solvent, including: furloughs; temporary salary  
5 reductions; reductions-in-force; forced downsizing of programs  
6 and services; purchasing and hiring freezes; and enactment of  
7 temporary revenue enhancements. In addition, the State's fiscal  
8 reserves, the emergency and budget reserve fund and the  
9 hurricane reserve trust fund, were used to prevent even greater  
10 spending reductions and revenue enhancement measures.

11           One of the clear lessons learned from this experience is  
12 the necessity of having sufficient amounts of money in the  
13 fiscal reserves to help carry the State through the worst  
14 economic conditions. Now that the State's economy is rebounding  
15 and more revenues are available, a concerted effort must be made  
16 to recapitalize the State's depleted fiscal reserves as  
17 expeditiously as possible.

1 While Act 124, Session Laws of Hawaii 2011, temporarily  
2 diverted tobacco settlement moneys from the emergency and budget  
3 reserve fund to the general fund in fiscal years 2011-2012 and  
4 2012-2013, transfers from the tobacco settlement into the  
5 emergency and budget reserve fund will resume in fiscal year  
6 2013-2014.

7 This Act accelerates the recapitalization of fiscal  
8 reserves by transferring an additional \$50,000,000 from general  
9 funds to the emergency and budget reserve fund. The legislature  
10 finds that as the State continues its economic recovery,  
11 accelerated recapitalization of this fiscal reserve fund is  
12 prudent and fiscally sound.

13 The purpose of this Act is to appropriate general funds to  
14 the emergency and budget reserve fund.

15 SECTION 2. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$50,000,000 or so  
17 much thereof as may be necessary for fiscal year 2013-2014 and  
18 the same sum or so much thereof as may be necessary shall be  
19 deposited into the emergency and budget reserve fund established  
20 in section 328L-3, Hawaii Revised Statutes.

21 SECTION 3. This Act shall take effect on July 1, 2013.

S.B. NO.

1094  
S.D. 1  
H.D. 1  
C.D. 1

APPROVED this 3 day of JUL, 2013

A handwritten signature in black ink, reading "Neil Abernethy". The signature is written in a cursive style with a prominent underline under the name "Abernethy".

GOVERNOR OF THE STATE OF HAWAII