

JAN 18 2013

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 PART I

2 SECTION 1. Section 36-32, Hawaii Revised Statutes, is
3 amended by amending subsections (a) and (b) to read as follows:

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



1 years ending prior to July 1, 2014, and shall be subject to
2 sections 37-31, and 37-33 through 37-40. Appropriations or
3 authorizations from the special fund shall be expended by the
4 superintendent of education.

5 (b) There is established within the state educational
6 facilities improvement special fund a separate account, to be
7 known as the lease payments for schools account, for lease
8 payments required by financing agreements entered into by the
9 department of education prior to July 1, 2013, pursuant to this
10 section and sections 37D-2 and 302A-1506. The lease payments
11 for schools account shall be funded by legislative
12 appropriations and expended by the superintendent of education.
13 Expenditures from the lease payments for schools account shall
14 be exempt from chapters 103 and 103D and are restricted to lease
15 payments on new schools included within the department of
16 education's current six year capital improvement programs and
17 for which:

18 (1) The legislature adopted a concurrent resolution
19 directing the department of education to:

20 (A) Build a new school in a specific geographic area
21 using the design-build method; and



1 (B) Pursue the use of a financing agreement to build
2 the new school; or

3 (2) The legislature appropriated planning and design funds
4 and specified that the remainder of the costs
5 necessary to complete the project are eligible for
6 funding through a financing agreement;

7 provided that any school to which the legislature has
8 appropriated planning and design funds prior to July 1, 2007,
9 and for which a private developer is willing to enter into a
10 lease-purchase agreement with the department of education within
11 twelve months of July 1, 2007, is exempt from the requirements
12 of [+]paragraphs[+] (1) and (2)."

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

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



1 ~~[(1)]~~ ~~The sum from all general excise tax revenues realized~~
2 ~~by the State that represents the difference between~~
3 ~~\$45,000,000 and the proceeds from the sale of any~~
4 ~~general obligation bonds authorized for that fiscal~~
5 ~~year for the purposes of the state educational~~
6 ~~facilities improvement special fund shall be deposited~~
7 ~~in the state treasury in each fiscal year to the~~
8 ~~credit of the state educational facilities improvement~~
9 ~~special fund;~~

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

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



1 provided that the deposit required in each fiscal year
2 shall be made by October 1 of that fiscal year."

3 PART II

4 SECTION 3. Section 36-32, Hawaii Revised Statutes, is
5 repealed.

6 [~~"§36-32 State educational facilities improvement special~~
7 ~~fund.~~ (a) There is created in the treasury of the State the
8 state educational facilities improvement special fund, into
9 which shall be deposited a portion of all general excise tax
10 revenues collected by the department of taxation under section
11 237-31. The special fund shall be used solely to plan, design,
12 acquire lands for, and to construct public school facilities and
13 to provide equipment and technology infrastructure to improve
14 public schools and other facilities under the jurisdiction of
15 the department of education, except public libraries. In
16 addition, activities of the department of education intended to
17 eliminate the gap between the facility needs of schools and
18 available resources shall be eligible for funding from the
19 special fund. Expenditures from the special fund shall be
20 limited to projects authorized by the legislature and shall be
21 subject to sections 37-31, and 37-33 through 37-40.



1 ~~Appropriations or authorizations from the special fund shall be~~
2 ~~expended by the superintendent of education.~~

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

15 ~~(1) The legislature adopted a concurrent resolution~~
16 ~~directing the department of education to:~~
17 ~~(A) Build a new school in a specific geographic area~~
18 ~~using the design-build method; and~~
19 ~~(B) Pursue the use of a financing agreement to build~~
20 ~~the new school; or~~
21 ~~(2) The legislature appropriated planning and design funds~~
22 ~~and specified that the remainder of the costs~~



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

9 ~~(c) The department of education shall submit an annual~~
10 ~~report to the legislature that shall include a financial~~
11 ~~statement of the special fund, the lease payments for schools~~
12 ~~account established under subsection (b), and the status of~~
13 ~~projects undertaken pursuant to this section, no later than~~
14 ~~twenty days prior to the convening of each regular session."]~~

15 SECTION 4. All moneys collected pursuant to section 237-
16 31, Hawaii Revised Statutes, deposited into the state
17 educational facilities improvement special fund established
18 under section 36-32, Hawaii Revised Statutes, and remaining
19 unencumbered on balance in that special fund shall lapse to the
20 credit of the general obligation bond fund on July 1, 2023.



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PART III

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval; provided that part II shall take effect on July 1, 2023.

INTRODUCED BY: Amil Y Ige

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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 07/01/2014. Limits lease payments required by financing agreements paid from the special fund to those entered into prior to 07/01/2013. Repeals the special fund on 07/01/2023.

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

