
A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 SECTION 1. The legislature finds that certain funds and
2 programs are effectively non-functional, having fulfilled their
3 intended purpose. The legislature further finds that any moneys
4 still remaining in these funds or programs would serve the State
5 more effectively if they were deposited into an active fund or
6 to the credit of the general fund.

7 In 1995, the legislature created the Waialua loan and
8 subsidy program to assist former employees and retirees
9 displaced by the closure of Waialua Sugar Company. However, as
10 noted in the 2012 state auditor's report titled, "Study of the
11 Transfer of Non-general Funds to the General Fund," the program
12 "is no longer active and there is only one outstanding
13 loan...[accordingly], it is no longer serving the purpose for
14 which it was created." Similarly, in 2001, the Kikala-Keokea
15 infrastructure development fund was created to provide low-
16 interest home construction loans for Kikala-Keokea leaseholders
17 who had been denied loans from traditional financial
18 institutions. However, according to a 2012 state auditor's



1 report, the "fund is no longer active and there are no
2 outstanding loans...the project is projected to have no
3 revenues, no expenses, and no balance for FY2012...[accordingly]
4 it is no longer serving the purpose for which it was created."

5 The purpose of this Act is to terminate the Waialua loan
6 and subsidy program, the Kikala-Keokea infrastructure
7 development fund, and the Kikala-Keokea housing revolving fund,
8 and to deposit any residual amounts left in either the program
9 or funds into the rental assistance revolving fund or the
10 general fund.

11 SECTION 2. Section 171-19.5, Hawaii Revised Statutes, is
12 repealed.

13 [~~"§171-19.5 Infrastructure development fund,~~
14 ~~establishment.~~ (a) ~~There is established in the state treasury~~
15 ~~the infrastructure development fund to be administered by the~~
16 ~~department of land and natural resources. Funds transferred or~~
17 ~~appropriated by the legislature and moneys received or collected~~
18 ~~by the department of land and natural resources, as authorized~~
19 ~~by the legislature, shall be deposited into the infrastructure~~
20 ~~development fund.~~

21 (b) ~~The infrastructure development fund shall be used to~~
22 ~~provide funding for infrastructure development in the Kikala-~~



1 ~~Keekeea area on the island of Hawaii to benefit residents of~~
2 ~~Kalapana who have been dispossessed of their homes and lands as~~
3 ~~a result of the continued volcanic eruptions on the island of~~
4 ~~Hawaii, which began on January 3, 1983. Proceeds of this fund~~
5 ~~may be used for necessary expenses in the administration of the~~
6 ~~fund.~~

7 ~~(c) Upon fulfillment of the purposes of this section, any~~
8 ~~unexpended or unencumbered funds appropriated by the legislature~~
9 ~~or remaining in the infrastructure development fund as of the~~
10 ~~close of business on December 31, 2004, shall not lapse into~~
11 ~~that fund or to the credit of the general fund, but shall be~~
12 ~~transferred to the credit of the Kikala Keekeea housing revolving~~
13 ~~fund established in section 201H 81 as of that date; provided~~
14 ~~that any unexpended or unencumbered moneys that were provided by~~
15 ~~the office of Hawaiian affairs and deposited into the~~
16 ~~infrastructure development fund for the purpose of~~
17 ~~infrastructure development shall be refunded to the office of~~
18 ~~Hawaiian affairs upon the completion of the fund's intended~~
19 ~~purpose. No funds shall be transferred until all funding~~
20 ~~commitments entered into by the department of land and natural~~
21 ~~resources to complete the design and construction of~~
22 ~~infrastructure improvements have been executed."]~~



1 SECTION 3. Section 201H-81, Hawaii Revised Statutes, is
2 repealed.

3 [~~"§201H-81 Kikala Kookea housing revolving fund,~~
4 ~~established.~~ (a) ~~There is established in the state treasury~~
5 ~~the Kikala Kookea housing revolving fund to provide low interest~~
6 ~~loans for home construction for Kikala Kookea leaseholders who~~
7 ~~have been denied loans from traditional financial institutions.~~
8 ~~The revolving fund shall be administered by the corporation.~~

9 (b) ~~The rate of interest on loans executed pursuant to~~
10 ~~this section shall not exceed three per cent per year and~~
11 ~~interest earnings on loans made pursuant to this section may be~~
12 ~~used for administrative and other expenses necessary for~~
13 ~~administering the loan program. Guidelines shall be established~~
14 ~~by the corporation with respect to loan terms and loan~~
15 ~~qualification criteria. Moneys appropriated for the purposes of~~
16 ~~this section shall be deposited into the Kikala Kookea housing~~
17 ~~revolving fund; provided that upon fulfillment of the purposes~~
18 ~~of this section, all unencumbered moneys shall lapse into the~~
19 ~~general fund.~~

20 (c) ~~The corporation shall adopt rules in accordance with~~
21 ~~chapter 91 to effectuate the purposes of this section."]~~



1 SECTION 4. Act 30, Special Session Laws of Hawaii 1995, is
2 repealed.

3 SECTION 5. Act 31, Special Session Laws of Hawaii 1995, is
4 repealed.

5 SECTION 6. (a) By July 1, 2014, the director of finance
6 shall transfer any unencumbered balances remaining, as of June
7 30, 2014, in the infrastructure development fund established by
8 section 171-91.5, Hawaii Revised Statutes, and the Kikala-Keokea
9 housing revolving fund, established by section 201H-81, Hawaii
10 Revised Statutes, to the credit of the general fund.
11 Additionally, any future revenues scheduled to be paid into the
12 infrastructure development fund or Kikala-Keokea housing
13 revolving fund shall be paid to the credit of the general fund.

14 (b) By July 1, 2014, the director of finance shall
15 transfer any unencumbered balances remaining, as of June 30,
16 2014, in the grant and loan programs established by Acts 30 and
17 31, Special Session Laws of Hawaii 1995, to the credit of the
18 rental assistance revolving fund. Additionally, any future
19 revenues scheduled to be paid into the grant and loan programs
20 established by Acts 30 and 31, Special Session Laws of Hawaii
21 1995, shall be paid to the credit of the rental assistance
22 revolving fund.



1 SECTION 7. This Act shall not affect rights and duties
2 that matured, penalties that were incurred, and proceedings that
3 were begun before its effective date.

4 SECTION 8. Statutory material to be repealed is bracketed
5 and stricken.

6 SECTION 9. This Act shall take effect upon its approval.
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INTRODUCED BY:

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H.B. NO. 2188

Report Title:

Waiialua Loan and Subsidy Program; Kikala-Keokea Housing Revolving Fund; Kikala-Keokea Infrastructure Development Fund

Description:

Repeals the Waiialua Loan and Subsidy Program, Kikala-Keokea Housing Revolving Fund, and Kikala-Keokea Infrastructure Development Fund.

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

