

JAN 23 2014

A BILL FOR AN ACT

RELATING TO THE HURRICANE RESERVE TRUST FUND.

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

1 SECTION 1. The legislature finds that general revenues are
2 increasing and that the diversion of the interest from the
3 hurricane reserve trust fund is no longer necessary to maintain
4 the health of the general fund. Moreover, the legislature finds
5 that this Act will allow the corpus of the trust fund to grow
6 without imposition of a fee or tax.

7 The purpose of this Act is to require the interest and
8 other moneys earned on the principal of the hurricane reserve
9 trust fund to be deposited into the trust fund instead of being
10 diverted to the general fund.

11 SECTION 2. Section 431P-16, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By amending subsection (g) to read:

14 "(g) Any proceeds from loans or other moneys from the
15 federal government, any proceeds from bonds issued pursuant to
16 this chapter loaned by the director to the Hawaii hurricane
17 relief fund, and other moneys as the State may make available



1 from time to time shall be deposited into the hurricane reserve
2 trust fund.

3 Interest and other moneys earned on the principal of the
4 hurricane reserve trust fund also shall be deposited into the
5 trust fund."

6 2. By amending subsection (i) to read:

7 "(i) Moneys in the hurricane reserve trust fund may be
8 disbursed upon dissolution of the Hawaii hurricane relief fund;
9 provided that:

10 (1) The net moneys in the hurricane reserve trust fund
11 shall revert to the state general fund after payments
12 by the fund on behalf of licensed property and
13 casualty insurers or the State that are required to be
14 made pursuant to any federal disaster insurance
15 program enacted to provide insurance or reinsurance
16 for hurricane risks are completed; and

17 (2) If such moneys are paid on behalf of licensed property
18 and casualty insurers, payment shall be made in
19 proportion to the premiums from policies of hurricane
20 property insurance serviced by the insurers in the
21 twelve months prior to dissolution of the fund[+]



1 ~~provided that all interest earned from the principal in the~~
2 ~~hurricane reserve trust fund shall be transferred and deposited~~
3 ~~into the general fund each year that the hurricane reserve trust~~
4 ~~fund remains in existence]."~~

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on July 1, 2014.
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S.B. NO. 2758

Report Title:

Hurricane Reserve Trust Fund; Interest and Other Earnings

Description:

Requires the interest and other moneys earned on the principal of the hurricane reserve trust fund to be deposited into the trust fund instead of being diverted to the general fund.

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