



**GOV. MSG. NO. 1142**

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

April 29, 2016

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

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

This is to inform you that on April 29, 2016, the following bill was signed into law:

SB2553 HD1

RELATING TO NON-GENERAL FUNDS  
**ACT 042 (16)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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# A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

1 PART I

2 SECTION 1. The purpose of this Act is to repeal and  
3 abolish various non-general funds and accounts pursuant to the  
4 recommendations made by the auditor in auditor's report no. 15-  
5 19.

6 PART II

7 SECTION 2. The purpose of this part is to repeal the child  
8 care licensing and registration special fund.

9 The legislature finds that the fund no longer serves the  
10 purpose for which it was created.

11 SECTION 3. Section 346-159, Hawaii Revised Statutes, is  
12 repealed.

13 ~~["§346-159] Child care licensing and registration special~~  
14 ~~fund. (a) There is established within the state treasury, to~~  
15 ~~be administered by the department, the child care licensing and~~  
16 ~~registration special fund into which shall be deposited.~~



1       ~~(1) All fees received from applicants for a license to~~  
2       ~~operate group child care homes or group child care~~  
3       ~~centers as provided in section 346-163 and from~~  
4       ~~applicants for a certificate of registration for~~  
5       ~~family child care homes as provided in section 346-~~  
6       ~~173;~~

7       ~~(2) Appropriations made by the legislature to the fund;~~  
8       ~~and~~

9       ~~(3) Any other revenues designated for the fund.~~

10       ~~(b) Moneys in the child care licensing and registration~~  
11 ~~special fund shall be used for the following purposes:~~

12       ~~(1) The costs of administering child care licensing and~~  
13       ~~registration;~~

14       ~~(2) Furthering the provision of quality child care~~  
15       ~~services; and~~

16       ~~(3) Any other purpose deemed necessary by the department~~  
17       ~~to ensure the health and safety of children.~~

18       ~~(c) All interest on special fund balances shall accrue to~~  
19 ~~the credit of the special fund. Upon dissolution of the child~~  
20 ~~care licensing and registration special fund, any unencumbered~~



1 ~~moneys in the fund shall lapse to the credit of the general~~  
2 ~~fund." ]~~

3 SECTION 4. On July 1, 2016, all unencumbered balances  
4 remaining in the child care licensing and registration special  
5 fund repealed by section 3 of this Act shall lapse to the credit  
6 of the general fund.

7 PART III

8 SECTION 5. The purpose of this part is to repeal the  
9 housing first special fund.

10 The legislature finds that the fund does not meet the self-  
11 sustaining criterion because it relies on general fund  
12 appropriations. Thus, the fund should be repealed.

13 SECTION 6. Section 346-378, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15 "(a) The department of human services, in consultation  
16 with the United States Department of Housing and Urban  
17 Development, as necessary, shall implement housing first  
18 programs and services, as the department deems appropriate for  
19 clientele who would most likely benefit from and succeed with  
20 the implementation of housing first programs and services, and



1 subject to the availability of existing funds [~~or housing first~~  
2 ~~special fund moneys~~]."

3 SECTION 7: Section 346-377, Hawaii Revised Statutes, is  
4 repealed.

5 ["~~§346-377 Housing first special fund.~~ (a) ~~There is~~  
6 ~~established in the state treasury the housing first special~~  
7 ~~fund, into which shall be deposited:~~

8 ~~(1) Appropriations by the legislature to the special fund,~~  
9 ~~and~~

10 ~~(2) Gifts, donations, and grants from public agencies and~~  
11 ~~private persons.~~

12 ~~Each county may provide matching funds, which shall also be~~  
13 ~~deposited into the housing first special fund.~~

14 ~~(b) Moneys in the housing first special fund shall be~~  
15 ~~administered and expended by the department of human services~~  
16 ~~and shall be used to provide housing first programs and~~  
17 ~~services."]~~

18 SECTION 8. On July 1, 2016, all unencumbered balances  
19 remaining in the housing first special fund repealed by section  
20 7 of this Act shall lapse to the credit of the general fund.



PART IV

SECTION 9. The purpose of this part is to repeal the housing project bond special funds.

The legislature finds that the funds do not serve the purposes for which they were created.

SECTION 10. Section 356D-23, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The trustee shall also be authorized by the authority ~~[to hold and administer any housing project bond special funds established pursuant to section 356D-28, and]~~ to receive and receipt for, hold, and administer the revenues derived by the authority from any public housing project or projects for which the bonds are issued or the projects pledged to the payment of the bonds, and to apply the revenues to the payment of the cost of administering, operating, and maintaining the public housing project or projects, to pay the principal of and the interest on the bonds, to the establishment of reserves, and to other purposes as may be authorized in the proceedings providing for the issuance of the bonds."

SECTION 11. Section 356D-28, Hawaii Revised Statutes, is amended to read as follows:



1 " ~~[f]§356D-28 [f]~~ Public housing revolving fund~~[-housing~~  
2 ~~project bond special funds]~~. (a) There is established the  
3 public housing revolving fund to be administered by the  
4 authority. Notwithstanding section 36-21, the proceeds in the  
5 fund shall be used for long-term and other special financings of  
6 the authority and for necessary expenses in administering this  
7 chapter.

8 (b) All moneys received and collected by the authority,  
9 not otherwise pledged, obligated, or required by law to be  
10 placed in any other special fund, shall be deposited into the  
11 public housing revolving fund.

12 ~~[(c) A separate special fund shall be established for each~~  
13 ~~public housing project or projects financed from the proceeds of~~  
14 ~~bonds secured under the trust indenture. Each fund shall be~~  
15 ~~designated "housing project bond special fund" and shall bear~~  
16 ~~any additional designation as the authority deems appropriate to~~  
17 ~~properly identify the fund.~~

18 ~~(d) Notwithstanding any other law to the contrary, all~~  
19 ~~revenues, income, and receipts derived from a public housing~~  
20 ~~project or projects financed from the proceeds of bonds or~~  
21 ~~pledged to the payment of principal of and interest and premium~~



1 ~~on bonds, shall be paid into the housing project bond special~~  
2 ~~fund established for the public housing project or projects and~~  
3 ~~applied as provided in the proceedings authorizing the issuance~~  
4 ~~of bonds.] "~~

5 SECTION 12. On July 1, 2016, all unencumbered balances  
6 remaining in all housing project bond special funds repealed by  
7 section 11 of this Act shall lapse to the credit of the general  
8 fund.

9 PART V

10 SECTION 13. The temporary deposits - payroll overpayment  
11 housing and community development corporation of Hawaii trust  
12 fund, administratively created in 2006, is reclassified as a  
13 trust account.

14 PART VI

15 SECTION 14. The following funds and accounts are  
16 abolished:

- 17 (1) The blueprint for change program special fund  
18 administratively established in 2010;
- 19 (2) The costs related to homeless assistance special fund  
20 administratively established in 2003;





- 1           (3) The Hale Mahaolu special fund administratively created  
2                    in 2010;
- 3           (4) The Hawai'i immigrant health initiative program special  
4                    fund administratively created in 2010;
- 5           (5) The outreach services special fund administratively  
6                    created in 2010;
- 7           (6) The outreach services to located uninsured children  
8                    special fund administratively created in 2010;
- 9           (7) The outstationed eligibility worker services special  
10                   fund administratively created in 2010;
- 11          (8) The shelter plus care program special fund  
12                   administratively created in 2010;
- 13          (9) The support domestic violence shelters statewide  
14                   special fund administratively established in 2010; and
- 15          (10) The financial assistance for housing special fund  
16                   administratively established in 2001;
- 17 and any remaining unencumbered balances shall be transferred to  
18 the emergency and budget reserve fund established pursuant to  
19 section 328L-3, Hawaii Revised Statutes.



PART VII

SECTION 15. The following funds and accounts are abolished:

- (1) The blind shop revolving and handicraft fund established by section 347-12, Hawaii Revised Statutes, which has been repealed by Act 147, Session Laws of Hawaii 2015;
- (2) The department of human services homeless trust fund created in 2006;
- (3) The Geist foundation trust account created in 1997;
- (4) Kahikolu 'Ohana O Wai'anae project trust fund created in 2007; and
- (5) The recruitment of foster parents trust account created in 1987;

and any remaining unencumbered balances shall be transferred to the general fund.

PART VIII

SECTION 16. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 17. This Act shall take effect on July 1, 2016.

APPROVED this 29 day of APR, 2016



GOVERNOR OF THE STATE OF HAWAII