
A BILL FOR AN ACT

RELATING TO TRUST FUNDS.

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

1 SECTION 1. The purpose of this Act is to address trust
2 funds.

3 More specifically, this Act subjects the expenditure of
4 trust funds for the compensation of public employees and
5 contracts for services to appropriation and allotment.

6 The legislature emphasizes that this Act applies only to
7 expenditures for the compensation of public employees and
8 contracts for services. This Act is not intended to apply to
9 expenditures for goods or construction, as those terms are
10 defined under the state procurement code in section 103D-104,
11 Hawaii Revised Statutes.

12 SECTION 2. Section 37-40, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§37-40 Exceptions; trust funds.** (a) Except as to
15 administrative expenditures, and except as otherwise provided by
16 subsection (b) or another law, expenditures from trust funds may
17 be made by any department or establishment without appropriation
18 or allotment; provided that no expenditure shall be made from



1 and no obligation shall be incurred against any trust fund in
2 excess of the amount standing to the credit of the fund or for
3 any purpose for which the fund may not lawfully be expended.

4 Nothing in sections 37-31 to 37-41 shall require any trust
5 fund established pursuant to law be reappropriated annually.

6 (b) Expenditures of trust funds for the compensation,
7 including fringe benefits, of public employees and contracts for
8 services, as defined under section 103D-104, shall be subject to
9 appropriation and allotment. If a conflict between this
10 subsection and any other law occurs, this subsection shall
11 control unless the other law expressly specifies otherwise."

12 SECTION 3. Section 302A-1122, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[+]§302A-1122[+] **Gifts.** The board may receive and manage
15 moneys or other property, real, personal, or mixed, that may be
16 given, bequeathed, devised, or in any manner received from
17 sources other than the legislature or any federal appropriation
18 for the purposes of the department. All such moneys received
19 by, or on behalf of, the department shall be paid into the state
20 treasury[~~, and all~~]. All such moneys are appropriated for [the
21 use of] expenditure by the department[~~;~~]; provided that the



1 expenditure of trust funds for the compensation, including
 2 fringe benefits, of public employees or contracts for services
 3 shall be subject to appropriation in the state budget,
 4 supplemental budget, or other legislative act. The board shall
 5 cause to be kept suitable books of accounts wherein shall be
 6 recorded each gift, the essential facts of its management, and
 7 the expenditure of the income."

8 SECTION 4. Section 304A-106, Hawaii Revised Statutes, is
 9 amended to read as follows:

10 **"[+]§304A-106[+] Gifts; investment authority.** (a) The
 11 board of regents may receive, manage, and invest moneys or other
 12 property, real, personal, or mixed, which may be given,
 13 bequeathed, devised, or in any manner received from sources
 14 other than the legislature or any federal appropriation for the
 15 purpose of the university, its improvement or adornment, or the
 16 aid or advantage of students or faculty, and in general act as
 17 trustee on behalf of the university for any of such purposes or
 18 objects.

19 (b) Any law to the contrary notwithstanding, land-grant
 20 college aid moneys obtained under section [+]304A-2401[+] may be
 21 received, managed, and invested pursuant to this section.



1 (c) Expenditures of trust funds for the compensation,
2 including fringe benefits, of public employees and contracts for
3 services shall be subject to section 37-40(b).

4 [~~e~~] (d) The board of regents shall cause to be kept
5 suitable books of account wherein shall be recorded each gift,
6 the essential facts of the management thereof, and the
7 expenditure of the income. A statement of all trust funds shall
8 be included in the annual report to the governor and the
9 legislature."

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

12 SECTION 6. This Act shall take effect on January 7, 2059.



Report Title:

Trust Funds; Appropriations

Description:

Requires the expenditure of trust funds for the compensation, including fringe benefits, of public employees and contracts for services to be subject to appropriation and allotment. Effective 01/07/2059. (SD1)

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