

JAN 22 2016

A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

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

3 The legislature finds that article VII, section 6, of the
4 Constitution of the State of Hawaii, when certain conditions
5 occur, requires the legislature to provide a tax refund or tax
6 credit to state taxpayers or make a deposit into one or more
7 funds, as provided by law, to serve as a reserve for the State.
8 The conditions are that the state general fund balances at the
9 end of two successive fiscal years exceed five per cent of the
10 state general revenues for those fiscal years.

11 The legislature finds that the state general fund balances
12 at the end of fiscal years 2013-2014 and 2014-2015 exceeded five
13 per cent of the state general revenues for those fiscal years.
14 However, the legislature finds that, during the regular session
15 of 2016, the legislature is required to provide a tax refund or
16 credit and cannot, pursuant to section 328L-3(a)(3), Hawaii
17 Revised Statutes, make a deposit into a reserve fund.



1 The legislature finds that the best course of action during
2 the regular session of 2016 is to make a deposit into the
3 emergency and budget reserve fund instead of providing a tax
4 refund or credit. The legislature finds it preferable to
5 increase the reserve fund at present to address possible
6 emergencies and contingencies that may occur in the future when
7 state revenues slow down.

8 SECTION 2. Notwithstanding any law to the contrary, for
9 fiscal year 2015-2016, the director of finance shall transfer to
10 the emergency and budget reserve fund the total sum of the tax
11 credit or tax refund as determined by the legislature pursuant
12 to the provisions of article VII, section 6, of the Hawaii
13 Constitution.

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2015-2016 to be
17 deposited into the emergency and budget reserve fund by the
18 director of finance.



S.B. NO. 2555

1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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S.B. NO. 2555

Report Title:

Emergency and Budget Reserve Fund; Appropriation

Description:

Appropriates moneys from the general revenues into the Emergency and Budget Reserve Fund in FY 2015-2016 to comply with article VII, section 6, of the Hawaii State Constitution, which requires, under certain economic conditions, that the legislature provide a tax credit to state taxpayers or make a deposit into one or more funds.

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