
A BILL FOR AN ACT

RELATING TO DISPOSITION OF EXCESS REVENUES.

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

1 SECTION 1. The legislature finds that article VII, section
2 6, of the Hawaii State Constitution requires the legislature to
3 provide, when certain conditions occur, a tax refund or tax
4 credit to state taxpayers or make a deposit into one or more
5 funds, as provided by law, to serve as temporary supplemental
6 sources of funding or as a reserve fund for the State. The
7 conditions are that the state general fund balances at the end
8 of two successive fiscal years exceed five per cent of the state
9 general revenues for those fiscal years.

10 The legislature found during the regular session of 2015
11 that the state general fund balances at the end of fiscal years
12 2012-2013 and 2013-2014 exceeded five per cent of the state
13 general revenues for those fiscal years. The legislature
14 recognized in Act 202, Session Laws of Hawaii 2015, that
15 although the emergency and budget reserve fund balance exceeded
16 the statutory maximum established in section 328L-3(a)(3), the
17 fiscally prudent course of action was to deposit the excess



1 general revenue fund balance into the emergency and budget
2 reserve fund as a bulwark against future fiscal downturns.
3 Therefore, the legislature exercised its constitutional
4 legislative powers to waive the statutory ceiling on the
5 emergency and budget reserve fund and, as provided by law,
6 deposit the excess general fund revenues into the emergency and
7 budget reserve fund to "serve as a temporary supplemental
8 sources of funding for the State in times of an emergency,
9 economic downturn, or unforeseen reduction in revenue" in
10 accordance with article VII, section 6.

11 The legislature found that the best course of action during
12 the regular session of 2015 was to make a deposit into the
13 emergency and budget reserve fund instead of providing a tax
14 refund or credit. The legislature found it preferable during
15 the regular session of 2015 to increase the reserve fund at that
16 time to address possible emergencies and contingencies that may
17 occur in the future when state revenues slow down.

18 Although the legislature intended to provide a \$10,000,000
19 deposit of general fund revenues into the emergency and budget
20 reserve fund in fiscal year 2014-2015 and authorized such
21 action, the funds could not be deposited because of an



1 inadvertent error in the approval processing of Act 202, Session
2 Laws of Hawaii 2015.

3 Since the end of the regular session of 2015, the
4 legislature has been engaged in addressing the related issues of
5 homelessness and affordable rental housing. Addressing those
6 issues requires funding. Revisiting the deposit into the
7 emergency and budget reserve fund provides an opportunity to
8 provide funds for those issues.

9 The purpose of this Act is to re-appropriate moneys to
10 comply with article VII, section 6, of the Hawaii State
11 Constitution for the fiscal year 2014-2015 period. The amount
12 re-appropriated is less than the amount in Act 202, Session Laws
13 of Hawaii 2015. The difference is intended to be appropriated
14 for homeless facilities and public housing projects.

15 SECTION 2. Notwithstanding any law to the contrary, for
16 the fiscal year 2014-2015 period, the director of finance shall
17 transfer to the emergency and budget reserve fund the total sum
18 of the tax credit or tax refund as determined by the legislature
19 pursuant to the provisions of article VII, section 6, of the
20 Hawaii State Constitution.



1 SECTION 3. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2015-2016 to be
4 deposited into the emergency and budget reserve fund by the
5 director of finance for the fiscal year 2014-2015 period.

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



Report Title:

Disposition of Excess Revenues; Emergency and Budget Reserve Fund

Description:

Appropriates funds to the Emergency and Budget Reserve Fund for the fiscal year 2014-2015 period. (SB2844 HD1)

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

