

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND.

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

1 SECTION 1. Section 328L-3, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) There is established in the state treasury the
4 emergency and budget reserve fund which shall be a special fund
5 administered by the director of finance, into which shall be
6 deposited:

- 7 (1) ~~[Twenty four and one half per cent of the moneys~~
8 ~~received from the tobacco settlement moneys under~~
9 ~~section 328L-2(b)(1);]~~ Moneys received from the tobacco
10 settlement moneys under section 328L-2;
11 (2) Appropriations made by the legislature to the fund; and
12 (3) Five per cent of the state general fund balance at the
13 close of the fiscal year, whenever state general fund
14 revenues for each of two successive fiscal years exceeds
15 revenues for each of the preceding fiscal years by five
16 per cent, pursuant to article VII, section 6 of the
17 Hawaii constitution. For the purpose of this section,

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1 the general fund balance at the close of the fiscal year
2 shall be calculated before any tax refund or tax credit
3 is authorized by the legislature, pursuant to article
4 VII, section 6 of the Hawaii constitution, that is
5 provided during the same regular session as the transfer
6 depositing such moneys to the emergency and budget
7 reserve fund; provided that transfers shall not be made
8 to the emergency and budget reserve fund whenever the
9 balance of the emergency and budget reserve fund is
10 equal to or more than ten per cent of general fund
11 revenues for the preceding fiscal year. The transfer
12 shall be executed by the director of finance;
13 provided that all moneys deposited into the emergency and budget
14 reserve fund under paragraphs (1) and (2) and all moneys deposited
15 under paragraph (3) shall be kept in separate and distinct
16 accounts."

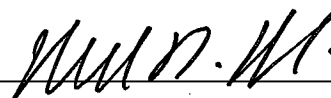
17 SECTION 2. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: _____



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BY REQUEST

S.B. NO. 942

Report Title:

Emergency and Budget Reserve Fund

Description:

Amends section 328L-3, Hawaii Revised Statutes, to remove the specific percentage of tobacco settlement moneys that is to be deposited to the Emergency and Budget Reserve Fund.

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

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND.

PURPOSE: To remove the specific percentage of tobacco settlement moneys that is to be deposited to the Emergency and Budget Reserve Fund.

MEANS: Amend section 328L-3(a), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Act 118, Session Laws of Hawaii 2015, codified as section 328L-2, HRS, amended the share of tobacco settlement moneys to be deposited to the Emergency and Budget Reserve Fund (EBRF) from 24.5 percent to 15 percent effective July 1, 2015. However, Act 118 did not revise section 328L-3, HRS, which also states that 24.5 percent of tobacco settlement moneys are to be deposited to the EBRF. Therefore, sections 328L-2 and 328L-3 currently reflect different percentages of the tobacco settlement moneys that should be deposited to the EBRF.

This bill amends section 328L-3 to provide that moneys from the tobacco settlement may be deposited to the EBRF. The amendment would better prevent future discrepancies and inadvertent errors.

Impact on the public: This bill would remedy the current conflicting percentages of tobacco settlement moneys to be deposited to the EBRF.

Impact on the department and other agencies: This bill would provide clarity and consistency with regard to the percentage of tobacco settlement moneys to be deposited to the EBRF.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BUF 101.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.