
A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

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

1 SECTION 1. The legislature finds that the department of
2 education faces educational infrastructure issues caused by
3 overcapacity and underfunding, while the highways division of
4 the department of transportation faces a threat of inundation
5 and damage to the state highway system caused by climate change.

6 The purpose of this Act is to direct specified percentages
7 of general excise tax revenues to the department of education to
8 strengthen its infrastructure and to the department of
9 transportation for the costs of protecting the state highway
10 system from the threat of damage caused by climate change.

11 SECTION 2. Section 237-31, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§237-31 Remittances.** All remittances of taxes imposed by
14 this chapter shall be made by money, bank draft, check,
15 cashier's check, money order, or certificate of deposit to the
16 office of the department of taxation to which the return was
17 transmitted. The department shall issue its receipts therefor



1 to the taxpayer and shall pay the moneys into the state treasury
2 as a state realization, to be kept and accounted for as provided
3 by law; provided that:

4 (1) A sum, not to exceed \$5,000,000, from all general
5 excise tax revenues realized by the State shall be
6 deposited in the state treasury in each fiscal year to
7 the credit of the compound interest bond reserve fund;

8 (2) A sum from all general excise tax revenues realized by
9 the State that is equal to one-half of the total
10 amount of funds appropriated or transferred out of the
11 hurricane reserve trust fund under sections 4 and 5 of
12 Act 62, Session Laws of Hawaii 2011, shall be
13 deposited into the hurricane reserve trust fund in
14 fiscal year 2013-2014 and in fiscal year 2014-2015;
15 provided that the deposit required in each fiscal year
16 shall be made by October 1 of that fiscal year; ~~and~~

17 ~~+] (3) [+~~ Commencing with fiscal year 2018-2019, a sum from
18 all general excise tax revenues realized by the State
19 that represents the difference between the state
20 public employer's annual required contribution for the
21 separate trust fund established under section 87A-42



1 and the amount of the state public employer's
2 contributions into that trust fund shall be deposited
3 to the credit of the State's annual required
4 contribution into that trust fund in each fiscal year,
5 as provided in section 87A-42[-];

6 (4) A sum equal to 0.25 per cent of all general excise tax
7 revenues realized by the State shall be deposited into
8 a separate account in the state treasury in each
9 fiscal year to be used by the department of education
10 to augment the capacity and infrastructure of its
11 facilities and programs; and

12 (5) A sum equal to 0.25 per cent of all general excise tax
13 revenues realized by the State shall be deposited into
14 the state highway fund established in section 248-8 to
15 protect the state highway system from the threat of
16 inundation and damage caused by climate change."

17 SECTION 3. Section 248-9, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) Moneys in the state highway fund may be expended for
20 the following purposes:



- 1 (1) To pay the costs of operation, maintenance, and repair
2 of the state highway system, including without
3 limitation, the cost of equipment and general
4 administrative overhead;
- 5 (2) To pay the costs of acquisition (including real
6 property and interests therein), planning, designing,
7 construction, and reconstruction of the state highway
8 system and bikeways, including, without limitation,
9 the cost of equipment and general administrative
10 overhead;
- 11 (3) To reimburse the general fund for interest on and
12 principal of general obligation bonds issued to
13 finance highway projects where the bonds are
14 designated to be reimbursable out of the state highway
15 fund; [~~and~~]
- 16 (4) To pay the costs of construction, maintenance, and
17 repair of county roads; provided that none of the
18 funds expended on a county road or program shall be
19 federal funds when such expenditure would cause a
20 violation of federal law or a federal grant
21 agreement[-]; and



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1 (5) To pay the costs of protecting the state highway
 2 system from the threat of inundation and damage caused
 3 by climate change."

4 SECTION 4. Statutory material to be repealed is bracketed
 5 and stricken. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

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H.B. NO. 311

Report Title:

General Excise Tax; Disposition; DOE; DOT

Description:

Directs specified percentages of the general excise tax revenues to the Department of Education to augment its capacity and infrastructure and to the Department of Transportation to protect the state highway system from the threat of inundation and damage caused by climate change.

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