
A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

1 PART I

2 SECTION 1. The purpose and intent of this Act is to repeal
3 or reclassify certain non-general funds and accounts of the
4 department of transportation pursuant to the recommendations or
5 commentary by the auditor in auditor's report no. 19-05 and the
6 accompanying summary and to transfer the unencumbered balances
7 to the general fund.

8 PART II

9 SECTION 2. The purpose and intent of this part is to
10 reclassify certain revolving funds of the department of
11 transportation airports division.

12 SECTION 3. The following revolving funds are reclassified
13 as trust accounts:

14 (1) The airport sinking fund for retire term bond
15 revolving fund administratively created in 1969;

16 (2) The airport system debt service reserve account
17 revolving fund administratively created in 1969;



(3) The airport system interest account revolving fund
administratively created in 1969;

(4) The airport system major maintenance, renewal, and
replacement account revolving fund administratively
created in 1969;

(5) The airport system serial bond principal account
revolving fund administratively created in 1969;

(6) The debt service funded coverage revolving fund
administratively created in 1994;

(7) The reserve for airline rate mitigation revolving fund
administratively created in 1994; and

(8) The reserve for operating and maintenance expenses
revolving fund administratively created in 1994.

PART III

SECTION 4. The purpose and intent of this part is to
reclassify, repeal, or abolish certain non-general funds of the
department of transportation harbors division.

SECTION 5. The following revolving funds are reclassified
as trust accounts:

(1) The 1997 certificate - harbor interest account
revolving fund administratively created in 1997;



(2) The 1997 certificate - harbor principal account revolving fund administratively created in 1997;

(3) The 7th supplemental certificate 2010A debt service reserve fund principal revolving fund administratively created in 2010; and

(4) The harbor extraordinary renewal/replacement reserve account revolving fund administratively created in 1997.

SECTION 6. The risk management fire and casualty losses - harbors trust fund administratively created in 2006 is abolished and any remaining unencumbered balances shall lapse to the credit of the general fund.

PART IV

SECTION 7. The purpose and intent of this part is to reclassify, repeal, or abolish certain non-general funds of the department of transportation highways division.

SECTION 8. Section 264-16, Hawaii Revised Statutes, is amended to read as follows:

"[+]§264-16[+] **State highway clearing accounts.** The director of transportation may with the prior approval of the director of finance and comptroller establish the state highway



1 payroll clearing account, employee benefits clearing account,
2 construction administration clearing trust account, and any
3 other necessary clearing account or clearing trust account to
4 effectively account for program costs and appropriations.

5 The director of transportation may, from time to time, make
6 advances to the clearing accounts or clearing trust accounts
7 from the state highway fund or from any moneys appropriated or
8 otherwise made available to the department. The advances shall
9 be in such amounts as may be required to meet the obligations of
10 the department which are authorized by the legislature.

11 As soon as practicable after an expenditure from a clearing
12 account~~[7]~~ or clearing trust account, a determination shall be
13 made of the proper fund or appropriation to which the
14 expenditure should be charged. The fund or account from which
15 funds are advanced shall thereupon be reimbursed out of the
16 proper fund or appropriation."

17 SECTION 9. Section 264-19, Hawaii Revised Statutes, is
18 repealed.

19 ~~["~~\$264-19~~ Transportation improvement special fund. (a)~~
20 ~~There is created within the state treasury the transportation~~
21 ~~improvement special fund to fund qualified transportation~~



~~1 projects and to receive reimbursements from private developers~~
~~2 who have been advanced public funds to fulfill the conditions of~~
~~3 land use development relating to transportation.~~

~~4 The director may expend from the special fund such sums as~~
~~5 are necessary to advance transportation projects, including~~
~~6 administrative expenses, to the extent permissible:~~

~~7 (1) When such projects:~~

~~8 (A) Have been identified in or are consistent with~~
~~9 the statewide transportation plan adopted~~
~~10 pursuant to chapter 279A; and~~

~~11 (B) Satisfy all applicable federal and state~~
~~12 eligibility requirements; or~~

~~13 (2) When the director determines that funds previously~~
~~14 authorized for the aforementioned projects are~~
~~15 inadequate or any delay in the completion of such~~
~~16 projects would unnecessarily increase their cost or~~
~~17 intensify undesirable transportation conditions.~~

~~18 (b) Expenditures from the special fund shall be made on~~
~~19 vouchers approved by the director or such other officer as may~~
~~20 be designated by the director.~~



~~(c) There shall be credited to the special fund all reimbursements and any interest earned or penalty accrued on late payments thereon received from developers who have been advanced public funds to fulfill the conditions of land use development relating to transportation or other transportation requirements imposed upon such developers.~~

~~(d) Expenditures from the special fund may not be made by the director without appropriation by the legislature. No expenditure shall be made from, and no obligation shall be incurred against, the special fund in excess of the amount standing to the credit of the special fund or for any purpose for which moneys from the special fund may not lawfully be expended.~~

~~(e) The department of transportation shall prepare and submit an annual report to the legislature on the use of the transportation improvement special fund which shall include, but not be limited to:~~

~~(1) The [special] fund balance and the expenses made from the [special] fund for the immediately preceding fiscal year; and~~



~~(2) Proposed appropriations from the [special] fund for the next fiscal year.~~

~~This report shall be submitted to the legislature no later than twenty days prior to the convening of each legislative session.~~

~~(f) The director may adopt rules pursuant to chapter 91 necessary to effectuate the purposes of, and to administer, this section.~~

~~(g) As used in this section:~~

~~"Director" means the director of transportation.~~

~~"Special fund" means the transportation improvement special fund."]~~

SECTION 10. The following revolving funds are reclassified as trust accounts:

(1) The highway senior interest account revolving fund administratively created in 1994;

(2) The highway senior principal account revolving fund administratively created in 1994; and

(3) The highways accrued payroll overhead revolving fund administratively created in 1983.



1 SECTION 11. The special deposits - highways trust account
2 administratively created in 1979 is reclassified as a trust
3 fund.

4 SECTION 12. Any unencumbered balances in the highway
5 senior debt service reserve account revolving fund
6 administratively created in 1994 shall be transferred to the
7 credit of the state highway fund established by section 248-8,
8 Hawaii Revised Statutes.

9 SECTION 13. All unencumbered balances remaining in the
10 transportation improvement special fund repealed by this part
11 shall be transferred to the credit of the state highway fund
12 established by section 248-8, Hawaii Revised Statutes.

13 PART V

14 SECTION 14. Section 291C-3, Hawaii Revised Statutes, is
15 amended by amending subsection (d) to read as follows:

16 "(d) ~~[The director of transportation, through the safe~~
17 ~~routes to school program coordinator and in consultation with~~
18 ~~county safe routes to school program coordinators, shall develop~~
19 ~~a mechanism to provide funds to county safe routes to school~~
20 ~~programs from the safe routes to school program special fund~~
21 ~~established under section 291C-4]~~ The legislature shall



1 appropriate funds from the safe routes to school program special
2 fund to the counties to be used for the implementation of county
3 safe routes to school program projects. No later than twenty
4 days prior to the convening of each regular session, each county
5 shall submit to the legislature an annual report on the status
6 and progress of its county safe routes to school program,
7 including an accounting of all grants provided through the
8 program and a timeline for future grant awards."

9 SECTION 15. Section 291C-4, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "[+]§291C-4[+] **Safe routes to school program special fund;**
12 **establishment.** [~~a~~] There is established in the state
13 treasury the safe routes to school program special fund, into
14 which shall be deposited:

15 (1) Assessments collected for speeding in a school zone,
16 pursuant to section 291C-104; and

17 (2) Safe routes to school program surcharges collected in
18 accordance with sections 291-16 and 291C-5.

19 ~~[Moneys in the fund shall be distributed by the director of~~
20 ~~transportation to the respective counties to expend.~~



~~(b) The director of transportation shall adopt rules pursuant to chapter 91 to implement this section. The rules shall establish a formula by which the moneys in the fund shall be distributed to each county and provide how the county shall expend the moneys for the purposes under [section] 291C-3 in public school zones.] "~~

7 PART VI

8 SECTION 16. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 17. This Act shall take effect on July 1, 2021.

11

INTRODUCED BY:

JAN 20 2021



H.B. NO. 64

Report Title:

DOT; Reclassification of Funds; Repeal of Non-General Funds;
Transfer of Balances

Description:

Abolishes, repeals, or reclassifies various non-general funds of
the department of transportation.

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not legislation or evidence of legislative intent.*

