

JAN 22 2021

A BILL FOR AN ACT

RELATING TO DISPOSITION OF TAX REVENUES.

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

1 SECTION 1. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding a new section to subpart B of part III to be
3 appropriately designated and to read as follows:

4 "§302A- Teacher salary special fund. (a) The teacher
5 salary special fund, hereafter called the "fund", is hereby
6 established. The fund shall be administered and managed by the
7 department. Moneys in the fund shall be expended for teacher
8 salaries and compensation authorized by this part.

9 (b) The appropriate percentage identified under section
10 247-7 of all taxes imposed and collected under chapter 247 shall
11 be deposited in or credited to the fund each fiscal year.

12 (c) Moneys from any other private or public source may be
13 deposited in or credited to the fund; provided that mandates,
14 regulations, or conditions on these funds do not conflict with
15 the use of the fund under this chapter. Moneys received as a
16 deposit or private contribution shall be deposited, used, and



1 accounted for in accordance with the conditions established by
2 the agency or person making the contribution."

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

5 "§237-31 Remittances. All remittances of taxes imposed by
6 this chapter shall be made by money, bank draft, check,
7 cashier's check, money order, or certificate of deposit to the
8 office of the department of taxation to which the return was
9 transmitted. The department shall issue its receipts therefor
10 to the taxpayer and shall pay the moneys into the state treasury
11 as a state realization, to be kept and accounted for as provided
12 by law; provided that:

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

17 (2) A sum from all general excise tax revenues realized by
18 the State that is equal to one-half of the total
19 amount of funds appropriated or transferred out of the
20 hurricane reserve trust fund under sections 4 and 5 of
21 Act 62, Session Laws of Hawaii 2011, shall be



1 deposited into the hurricane reserve trust fund in
2 fiscal year 2013-2014 and in fiscal year 2014-2015;
3 provided that the deposit required in each fiscal year
4 shall be made by October 1 of that fiscal year; ~~and~~

5 ~~[+]~~ (3) ~~[+]~~ Commencing with fiscal year 2018-2019, a sum from
6 all general excise tax revenues realized by the State
7 that represents the difference between the state
8 public employer's annual required contribution for the
9 separate trust fund established under section 87A-42
10 and the amount of the state public employer's
11 contributions into that trust fund shall be deposited
12 to the credit of the State's annual required
13 contribution into that trust fund in each fiscal year,
14 as provided in section 87A-42 ~~[+]~~; and

15 (4) Commencing with fiscal year 2021-2022, per cent
16 of all general excise tax revenues realized by the
17 State that are paid on any new construction of
18 commercial real estate projects pursuant to section
19 237-13(3), shall be deposited as follows:

20 (A) Fifty per cent into the state highway fund
21 established pursuant to section 248-8; and



1 (B) Fifty per cent into the teacher salary special
2 fund established pursuant to section 302A- ."

3 SECTION 3. Section 247-7, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§247-7 Disposition of taxes.** All taxes collected under
6 this chapter shall be paid into the state treasury to the credit
7 of the general fund of the State, to be used and expended for
8 the purposes for which the general fund was created and exists
9 by law; provided that of the taxes collected each fiscal year:

10 (1) ~~[Ten]~~ _____ per cent or \$5,100,000, whichever is less,
11 shall be paid into the land conservation fund
12 established pursuant to section 173A-5; ~~[and]~~

13 (2) ~~[Fifty]~~ _____ per cent or \$38,000,000, whichever is
14 less, shall be paid into the rental housing revolving
15 fund established by section 201H-202[-];

16 (3) _____ per cent shall be paid into the state highway
17 fund established pursuant to section 248-8; and

18 (4) _____ per cent shall be paid into the teacher salary
19 special fund established pursuant to section 302A- ."

20 SECTION 4. Section 248-8, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§248-8 Special funds in treasury of State. (a) There
2 are created in the treasury of the State three special funds to
3 be known, respectively, as the state highway fund, the airport
4 revenue fund, and the boating special fund. [All]

5 (b) The appropriate percentage identified under section
6 247-7 of all taxes imposed and collected under chapter 247, the
7 appropriate percentage of taxes imposed and collected as
8 identified under section 237-31(4), and all taxes collected
9 under chapter 243 in each calendar year, except the "county of
10 Hawaii fuel tax", "city and county of Honolulu fuel tax",
11 "county of Maui fuel tax", and "county of Kauai fuel tax", shall
12 be deposited in the state highway fund; provided that:

13 (1) All taxes collected under chapter 243 with respect to
14 gasoline or other aviation fuel sold for use in or
15 used for airplanes shall be set aside in the airport
16 revenue fund; and

17 (2) All taxes collected under chapter 243 with respect to
18 liquid fuel sold for use in or used for small boats
19 shall be deposited in the boating special fund.

20 (c) As used in this section, "small boats" means all
21 vessels and other watercraft except those operated in overseas



1 transportation beyond the State, and ocean-going tugs and
2 dredges.

3 (d) The chairperson of the board of land and natural
4 resources, from July 1, 1992, and every three years thereafter,
5 shall establish standards or formulas that will as equitably as
6 possible establish the total taxes collected under chapter 243
7 in each fiscal year that are derived from the sale of liquid
8 fuel for use in or used for small boats. The amount so
9 determined shall be deposited in the boating special fund.

10 (e) An amount equal to 0.3 per cent of the highway fuel
11 tax but not more than \$250,000 collected under chapter 243 shall
12 be allocated each fiscal year to the special land and
13 development fund for purposes of the management, maintenance,
14 and development of trails and trail accesses under the
15 jurisdiction of the department of land and natural resources
16 established under section 198D-2."

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

19 SECTION 6. This Act shall take effect on July 1, 2021.

20

INTRODUCED BY:

Kurt Favelle



Report Title:

DOE; Teacher Salaries; Teacher Salary Special Fund; Road Infrastructure; State Highway Fund; GET; Conveyance Tax

Description:

Establishes the teacher salary special fund within the department of education. Requires that a portion of general excise tax revenues collected on new construction of commercial real estate projects be deposited into the state highway fund and the teacher salary special fund. Requires that a portion of conveyance tax revenues be deposited into the state highway fund and the teacher salary special fund.

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