
A BILL FOR AN ACT

RELATING TO THE UNEMPLOYMENT COMPENSATION TRUST FUND.

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

1 SECTION 1. Chapter 383, Hawaii Revised Statutes, is
2 amended by adding two new sections to part V to be appropriately
3 designated and to read as follows:

4 "§383-A Unemployment compensation insolvency special fund;
5 established. (a) There is established an unemployment
6 compensation insolvency special fund into which shall be
7 deposited appropriations by the legislature.

8 (b) All interest earned or accrued on moneys deposited in
9 the fund shall become part of the fund.

10 (c) Moneys from the unemployment compensation insolvency
11 special fund shall be expended solely and exclusively to resolve
12 an unemployment compensation trust fund insolvency emergency
13 declared by the governor pursuant to section 383-B; provided
14 that moneys from the unemployment compensation insolvency
15 special fund may also be expended as a temporary source of
16 funding during times of emergency, severe economic downturn, or
17 unforeseen reduction of revenues pursuant to an appropriation



1 approved by a two-thirds majority vote of each house of the
2 legislature; provided further that a general or supplemental
3 appropriations bill, as defined in article VII, section 9, of
4 the Hawaii State Constitution, shall not be used to appropriate
5 moneys from the unemployment compensation insolvency special
6 fund.

7 §383-B Unemployment compensation trust fund insolvency
8 emergency. (a) The governor may declare the existence of an
9 unemployment compensation trust fund insolvency emergency if the
10 director of finance determines that the fund balance is
11 insufficient to meet the State's obligations pursuant to this
12 chapter.

13 (b) Immediately upon declaring an unemployment
14 compensation trust fund insolvency emergency, and prior to the
15 transfer of any moneys, the governor shall notify in writing the
16 president of the senate and speaker of the house of
17 representatives.

18 (c) To resolve the unemployment compensation trust fund
19 insolvency emergency, the governor may transfer into the
20 unemployment compensation trust fund the full balance of the
21 unemployment compensation insolvency special fund or so much



1 thereof as may be necessary to meet the State's obligations
2 pursuant to this chapter."

3 SECTION 2. Section 383-121, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§383-121 Unemployment compensation trust fund;
6 establishment and control. There is established in the treasury
7 of the State as a trust fund, separate and apart from all public
8 moneys or funds of the State, an unemployment compensation fund,
9 which shall be administered by the department of labor and
10 industrial relations exclusively for the purposes of this
11 chapter. All contributions pursuant to this chapter shall be
12 paid into the fund and all compensation and benefits payable
13 pursuant to this chapter shall be paid from the fund. All
14 moneys in the fund shall be mingled and undivided. The fund
15 shall consist of:

- 16 (1) All contributions collected pursuant to this chapter;
17 (2) Interest earned on any moneys in the fund;
18 (3) Any property or securities acquired through the use of
19 moneys belonging to the fund;
20 (4) All earnings of such property or securities;



(5) All moneys credited to this State's account in the unemployment trust fund pursuant to section 903 of the Social Security Act, as amended; [and]

(6) All moneys transferred from the unemployment compensation insolvency special fund pursuant to section 383-B; and

~~[(6)]~~ (7) All other moneys received for the fund from any other source."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2022-2023 for deposit into the unemployment compensation insolvency special fund.

SECTION 4. In codifying the new sections added by section 1 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

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

SECTION 6. This Act shall take effect on December 25, 2040.



Report Title:

Unemployment Compensation Trust Fund; Insolvency; Unemployment Compensation Trust Fund Insolvency Emergency; Unemployment Compensation Insolvency Special Fund; Appropriation

Description:

Establish an Unemployment Compensation Insolvency Special Fund to be administered by the Department of Labor and Industrial Relations and expended solely to resolve an Unemployment Compensation Trust Fund insolvency emergency declared by the Governor. Permit the Governor to declare an Unemployment Compensation Trust Fund insolvency emergency and expend moneys from the Unemployment Compensation Insolvency Special Fund if the Director of Finance determines that the trust fund balance is insufficient to meet the State's obligations. Appropriates moneys into the Unemployment Compensation Insolvency Special Fund. Effective 12/25/2040. (SD1)

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