



GOV. MSG. NO. 1330

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA Iulai 3, 2024

July 8, 2024

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Pursuant to the notice requirement of Section 16 of Article III of the Constitution of the State of Hawaii, I am transmitting herewith the following bill with specific appropriation items stricken or reduced and my official statement of objections to the specific items contained in the bill:

HB40

RELATING TO THE GENERAL FUND.

Mahalo,

Josh Green, M.D.
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 8, 2024

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 40

Honorable Members
Thirty-Second Legislature
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 40, entitled "A Bill for an Act Relating to the General Fund."

The purpose of this bill is to dispose of excess general fund revenues, as required by Section 6 of Article VII of the Hawai'i Constitution, by appropriating funds to be deposited into the Emergency and Budget Reserve Fund and the Pension Accumulation Fund.

Given the Maui wildfire recovery efforts and other State priorities such as affordable housing and reducing the cost-of-living for our residents, it would be financially unwise to transfer \$300,000,000 in general funds to the Emergency and Budget Reserve Fund, the State's rainy day fund, designated in section 2 on page 2 of the bill, and to deposit an extra \$135,000,000 into the Pension Accumulation Fund, designated in section 3 on pages 2-3 of the bill. I object to these transfers because the Emergency and Budget Reserve Fund balance exceeds \$1,500,000,000, its highest ever, and the State is committed to making regular payments on its unfunded liabilities, including its pension obligations, making these transfers unnecessary.

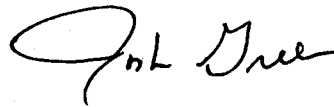
Section 16 of Article III of the Hawai'i Constitution provides that, "[e]xcept for items appropriated to be expended by the judicial and legislative branches, the governor may veto any specific item or items in any bill which appropriates money for specific purposes by striking out or reducing the same." Because of the foregoing objections, pursuant to my line-item veto authority, I have reduced the \$300,000,000 general fund appropriation for fiscal year 2024-2025 for deposit into the Emergency and Budget Reserve Fund in section 2 to \$1 (page 2, line 16). In addition, I have reduced

STATEMENT OF OBJECTIONS
HOUSE BILL NO. 40
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the \$135,000,000 general fund appropriation for fiscal year 2024-2025 for deposit into the Pension Accumulation Fund in section 3 to \$1 (page 3, line 1).

For the foregoing reasons, I am returning House Bill No. 40 with the reductions set forth above totaling \$434,999,998 in general fund appropriations for fiscal year 2024-2025.

Respectfully,

A handwritten signature in black ink, appearing to read "Josh Green". The signature is fluid and cursive, with the first name "Josh" and last name "Green" clearly distinguishable.

JOSH GREEN, M.D.
Governor of Hawai'i

A BILL FOR AN ACT

RELATING TO THE GENERAL FUND.

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

1 SECTION 1. The legislature finds that article VII,
2 section 6, of the Hawaii State Constitution requires the
3 legislature to dispose of excess general fund revenues when
4 certain factors are met, as follows:

- 5 (1) Provide for a tax refund or tax credit to the
6 taxpayers of the State, as provided by law;
- 7 (2) Make a deposit into one or more funds, as provided by
8 law, which shall serve as temporary supplemental
9 sources of funding for the State in times of an
10 emergency, economic downturn, or unforeseen reduction
11 in revenue, as provided by law; or
- 12 (3) Appropriate general funds for the pre-payment of
13 either or both of the following, as provided by law:
- 14 (A) Debt service for general obligation bonds issued
15 by the State; or
- 16 (B) Pension or other post-employment benefit
17 liabilities accrued for state employees.



1 The legislature further finds that the necessary factors
2 have been met for two successive fiscal years and that the
3 legislature is constitutionally required to dispose of excess
4 tax revenues, as authorized under article VII, section 6, of the
5 Hawaii Constitution.

6 Accordingly, the purpose of this Act is to implement
7 article VII, section 6, of the Hawaii Constitution, by:

8 (1) Making a deposit into the emergency and budget reserve
9 fund established under section 328L-3, Hawaii Revised
10 Statutes; and

11 (2) Making a deposit into the pension accumulation fund
12 established under section 88-114, Hawaii Revised
13 Statutes.

14 SECTION 2. In accordance with article VII, section 6, of
15 the Hawaii Constitution, there is appropriated out of the
16 general revenues of the State of Hawaii the sum of ~~\$300,000,000~~ ^{\$1} *92*
17 or so much thereof as may be necessary for fiscal year 2024-2025
18 for deposit into the emergency and budget reserve fund
19 established under section 328L-3, Hawaii Revised Statutes.

20 SECTION 3. In accordance with article VII, section 6, of
21 the Hawaii Constitution, there is appropriated out of the



\$1.92

1 general revenues of the State of Hawaii the sum of ~~\$135,000,000~~
2 or so much thereof as may be necessary for fiscal year 2024-2025
3 for deposit into the pension accumulation fund established under
4 section 88-114, Hawaii Revised Statutes.

5 SECTION 4. In accordance with section 9 of article VII of
6 the Constitution of the State of Hawaii and sections 37-91 and
7 37-93, Hawaii Revised Statutes, the legislature has determined
8 that the appropriations contained in this Act will cause the
9 state general fund expenditure ceiling for fiscal year 2024-2025
10 to be exceeded by \$323,323,869 or 3.1 per cent. The reasons for
11 exceeding the general fund expenditure ceiling are that:

- 12 (1) The appropriations made in this Act are necessary to
13 serve the public interest; and
- 14 (2) The appropriations made in this Act meet the needs
15 addressed by this Act.

16 SECTION 5. This Act shall take effect on July 1, 2024.

APPROVED this day of , 2024

GOVERNOR OF THE STATE OF HAWAII



HB No. 40, SD 1, CD 2

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 3, 2024
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.



Scott K. Saiki
Speaker
House of Representatives

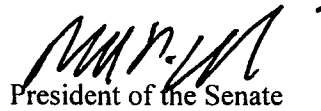


Brian L. Takeshita
Chief Clerk
House of Representatives


THE SENATE OF THE STATE OF HAWAI‘I

Date: May 3, 2024
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-Second Legislature of the State of Hawai‘i, Regular Session of 2024.



President of the Senate



Clerk of the Senate