

JAN 23 2025

A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS OF THE DEPARTMENT OF HEALTH.

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

SECTION 1. Section 338-14.5, Hawaii Revised Statutes, is amended to read as follows:

"§338-14.5 Copies of certificate; fees. The fees for certified copies of birth, marriage, divorce, or death certificates issued by the department of health shall consist of \$10 for the first copy issued and \$4 for each copy issued thereafter. These fees shall be collected for each single request for certified copies. All fees received for the issuance of certified copies of birth, marriage, divorce, or death certificates shall be remitted to the director of health. Upon the receipt of remittances under this section, the director of health shall deposit:

(1) \$1 for each certified copy to the credit of the spouse and child abuse special fund established under section 346-7.5;

(2) \$1 for each certified copy to the credit of the spouse and child abuse special account established under section 601-3.6;

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(3) \$1 for each certified copy to the credit of the domestic violence and sexual assault special fund established under section 321-1.3; and

(4) [~~\$1~~] The remainder of the fee for each certified copy to the credit of the vital statistics improvement special fund established under section 338-14.6 [~~and~~

~~(5) The remainder of the fee for each certified copy to the credit of the state general fund]."~~

SECTION 2. Section 338-14.6, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The fund shall consist of fees remitted pursuant to section 338-14.5[~~-~~] and section 572-5. All realizations of the fund shall be subject to the conditions specified in subsection (b)." "

SECTION 3. Section 572-5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) The department of health shall appoint, and at its pleasure remove, one or more suitable persons as agents authorized to grant marriage licenses under this chapter in each judicial circuit. The agents may issue licenses from any state facility when deemed necessary by the director. Any agent appointed under this subsection and receiving an application for

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a marriage license shall collect from the applicant for the license \$60, of which the agent, except those provided for in subsection (b), shall retain \$9 for the agent's benefit and compensation and shall remit \$51 to the director of health.

Upon the receipt of remittances under this subsection, the director of health shall deposit:

(1) \$32 for each license issued to the credit of the general fund of the State;

(2) \$4.50 for each license issued to the credit of the spouse and child abuse special fund established under section 346-7.5;

(3) \$4.50 for each license issued to the credit of the spouse and child abuse special account established under section 601-3.6; and

(4) \$10 for each license issued to the credit of the ~~[birth defects special fund established under section 321-426.]~~ vital statistics improvement special fund established under section 338-14.6.

(b) The department may appoint, as regular employees under the civil service and classification laws, the number of suitable persons as agents authorized to grant marriage licenses for whom provision has been made in the general appropriation

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act. In the case of these agents, the full amount collected from applicants shall be remitted to the director of health. Upon the receipt of remittances under this subsection, the director of health shall deposit:

- (1) \$41 for each license issued to the credit of the general fund of the State;
- (2) \$4.50 for each license issued to the credit of the spouse and child abuse special fund established under section 346-7.5;
- (3) \$4.50 for each license issued to the credit of the spouse and child abuse special account established under section 601-3.6; and
- (4) \$10 for each license issued to the credit of the ~~[birth defects special fund established under section 321-426.]~~ vital statistics improvement special fund established under section 338-14.6."

SECTION 4. Section 321-426, Hawaii Revised Statutes, is repealed.

~~["§321-426] Birth defects special fund. There is established within the state treasury the birth defects special fund to be administered and expended by the department of health, into which shall be deposited fees remitted pursuant to~~

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1 ~~section 572-5. Moneys in the special fund shall be used for the~~
2 ~~payment of the operating expenses of the birth defects~~
3 ~~program."]~~

4 SECTION 5. Any unencumbered and unexpended balance
5 existing as of the effective date of this Act in the birth
6 defects special fund established under section 321-426, Hawaii
7 Revised Statutes, shall be deposited into the vital statistics
8 improvement special fund, established under section 338-14.6,
9 Hawaii Revised Statutes.

10 SECTION 6. There is appropriated out of the vital
11 statistics improvement special fund the sum of \$_____ or so
12 much thereof as may be necessary for fiscal year 2025-2026 for
13 the operations of the vital statistics program, including the
14 operations of the marriage license office of the department of
15 health.

16 The sum appropriated shall be expended by the department of
17 health for the purposes of this Act.

18 SECTION 7. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

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1 SECTION 8. This Act, upon its approval, shall take effect
2 on July 1, 2025.

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INTRODUCED BY: 

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BY REQUEST

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Report Title:

Department of Health; Fees; Vital Statistics Improvement Special Fund; Birth Defects Special Fund; Repeal

Description:

Repeals the birth defects special fund and deposits a portion of fees for certified copies and marriage licenses into the vital statistics improvement special fund.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Health

TITLE: A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS OF THE DEPARTMENT OF HEALTH.

PURPOSE: To repeal the birth defects special fund and redirect deposits from the birth defects special fund to the vital statistics improvement special fund; to redirect deposits for certified copies of vital records from the general fund to the vital statistics improvement special fund; and to appropriate funds out of the vital statistics improvement special fund.

MEANS: Amend sections 338-14.5, 338-14.6(c), 572-5(a), and 572-5(b), Hawaii Revised Statutes (HRS); and repeal section 321-426, HRS.

JUSTIFICATION: Report No. 21-03 published by the Hawaii Office of the Auditor found that the birth defects special fund did not meet the criteria of a special fund, in part because there was no clear link between the birth defects program and marriage license fees, and recommended its repeal. Repealing the birth defects special fund will satisfy these concerns.

It is essential to redirect the deposits from the birth defects special fund into the vital statistics special fund to completely overhaul vital statistics business functions. There have previously been lengthy backlogs in customer requests due to a decades-old, unreliable computer system that drives a sub-optimal manual workflow, as well as overall increases in customer orders.

The redirection of deposits from the general fund to the vital statistics improvement special fund will provide a more reliable stream of resources to offset costs for the daily operations of the vital statistics

systems and to support modernization and automation of the system than a budget increase or appropriation would provide. The department processes approximately 125,000 customer requests a year, which is increasing steadily year after year due to a growing population and additional requirements for which vital records are essential, such as the REAL ID Act of 2005 (Pub.L. 109-13). Along with the increase in the number of transactions, the cost of security paper, printers and toner, postage, and other supplies continues to rise. Recovering a greater share of the fees for certified copies would allow the department to meet operational needs, and make more immediate investments in business operations, quality improvement, and customer service.

Furthermore, the deteriorating condition of bound volumes, some dating back to the Kingdom of Hawaii, prompt the need for digitization of those records to improve operations, such as genealogical research, and preservation for historical purposes. A larger share of the fees would permit interim preservation and protective actions to be taken, in concert with potential longer-term interventions. The additional revenue from fees provides more certainty and flexibility than a base budget appropriation.

Impact on the public: Additional efficiency and improved customer service is expected from redirecting additional deposits into the vital statistics improvement special fund.

While the department has prioritized requesting general funds to replace the moneys in the special fund, there may be a shortfall of funding for the birth defects surveillance and prevention program that may limit access to timely health intervention

if other funds cannot cover the loss of the marriage license fees.

Impact on the department and other agencies:
Increased resources for the Department's Office of Health Status Monitoring to improve operations and preserve bound volumes. Diminished resources for birth defects programs for the Department's Family Health Services Division if funds in the base budget are not appropriated.

GENERAL FUND: Reduction of approximately \$650,000 in deposits from fees for certified copies of vital records.

OTHER FUNDS: Any unencumbered and unexpended balance in the birth defects special fund will be deposited into the vital statistics improvement special fund.

PPBS PROGRAM
DESIGNATION: HTH 760.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2025.