

ACT 11

A Bill for an Act Relating to County's Share of General Excise Tax, and Amending Section 129-9, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of Section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

The present law provides for payment to counties of general excise tax collections on a quarterly basis. Until recently the State treasurer by practice has remitted to the counties such collections on a monthly basis. However, by a recent opinion of the State attorney general, the State treasurer is now required to make payment on a quarterly basis.

Since the cash flow of the counties is by practice geared to tax collections received on a monthly basis, the change in method of payment will seriously hamper the normal operation of the counties by depriving them of needed cash.

Unless the law is changed immediately, the counties, as they become hard-pressed for cash, will have to seek advances from the State for the very funds to which they are already entitled. This Act therefore is considered an urgency measure deemed necessary in the public interest.

SECTION 2. Section 129-9 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the first two paragraphs thereof to read as follows:

"Sec. 129-9. County's share of general excise tax. Each county shall receive a share of the general excise tax, consumption tax, and compensating tax (in this chapter called the county's share of the general excise tax), as follows: The director of the budget of the State, in monthly installments, on or before the 15th day of each month shall pay to the county treasurer, or in the case of the City and County of Honolulu to the director of finance, of each county, to become a general fund realization of the county, expendable as such, except as otherwise provided by law, the county's share of the general excise tax for each year, determined as hereinafter provided.

Each such monthly payment shall be an estimated amount of the preceding month's collection of such taxes and shall be adjusted by the director of the budget in making the succeeding monthly payment."

SECTION 3. Effective date. This Act shall take effect upon its approval, provided that the first monthly payment shall begin on May 15, 1962 if this Act is approved on or before June 20, 1962; but if approved after June 20, 1962 the first payment shall begin August 15, 1962; provided further, that for the first monthly payment made pursuant to the provisions of this Act, the director of the budget shall make such adjustments as may be necessary for any quarterly payments made prior to the effective date of this Act.

(Approved May 14, 1962.) H.B. 661.
