

ACT 5

A Bill for an Act Relating to Employment Security and Amending Chapter 93, 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:

Section 903 of the Social Security Act, as amended, makes funds collected under the Federal Unemployment Tax Act available for administration of state employment security programs. Such funds are often referred to as "Reed Act funds."

The Reed Act funds may be used for payments of expenses incurred for the administration of state employment security programs but only pursuant to a specific appropriation by the legislature and under certain conditions as set forth in section 2 of this Act.

In 1957 and 1959 the legislature appropriated Reed Act funds which were used to construct the Keelikolani building annex which is presently being used by the department of labor and industrial relations for employment security programs.

There is presently credited to the State of Hawaii an approximate sum of \$65,000 in Reed Act funds. This sum will be unavailable for payments of administrative expenses after June 30, 1966 unless sooner appropriated.

A bill to appropriate Reed Act funds for the purpose of purchasing and installing air conditioning equipment in the Keelikolani building annex has been introduced in this legislature.

The purpose of this Act is to make certain technical amendments to the Hawaii employment security law to conform with federal requirements so that appropriated Reed Act funds may be requisitioned and used for the purpose stated in the appropriation bill.

It is, therefore, urgent and necessary that this enabling measure be adopted in this session.

SECTION 2. Subsection (b) of section 93-122, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read:

"(b) Administrative use. Moneys credited to the account of this State in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this chapter pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which: (1) specifies the purposes for which such moneys are appropriated and the amounts appropriated therefor, (2) limits the period within which such moneys may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law, and (3) limits the amount which may be obligated during a 12-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this State pursuant to section 903 of the Social Security Act, as amended, during the same 12-month period and the nine preceding 12-month periods exceeds (ii) the aggregate of the amounts obligated

pursuant to this subsection and charged against the amounts credited to the account of this State during such ten 12-month periods. For the purposes of this subsection, amounts which are obligated for administration or paid out for benefits shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during a 12-month period specified herein may be charged against any amount credited during such 12-month period earlier than the ninth preceding such period.

“Moneys credited to the account of this State pursuant to section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of this chapter pursuant to this subsection.

“Moneys appropriated for the payment of expenses of administration pursuant to this subsection shall be requisitioned as needed for the payment of obligations incurred under the law appropriating such moneys and, upon requisition, shall be deposited in the employment security administration fund from which such payments shall be made. Moneys so deposited shall, until expended, remain a part of the unemployment compensation fund and, if it will not be expended within one week after it is withdrawn from the unemployment trust fund, shall be returned at the earliest practical date to the secretary of the treasury of the United States for credit to this State’s account in the unemployment trust fund.”

SECTION 3. This Act shall take effect upon its approval.
(Approved March 28, 1966.) **H.B. 219.**