

A Bill for an Act Relating to the General Fund Expenditure Ceiling.

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

SECTION 1. Section 37-91, Hawaii Revised Statutes, is amended to read as follows:

“[[]§37-91[]] **Definitions.** As used in sections 37-92 to 37-94:

[(1)] “State growth” means the estimated rate of growth of the State’s economy and shall be established by averaging the annual percentage change in total state personal income for the three calendar years immediately preceding the session of the legislature making appropriations from the state general fund.

When revisions are made to total state personal income, state growth shall be recalculated on the basis of the latest available data.

[(2)] "Total state personal income" means the total state personal income as defined by the state personal income series published by the United States Department of Commerce, Social and Economic Statistics Administration, Bureau of Economic Analysis, or its successor, for each year for which such income has been determined and published[; for any], including all revisions to the series. For the current and next succeeding calendar year for which such income has not been determined or published, it shall mean the total state personal income for such year as estimated by the council on revenues.

[(3)] "General fund" means the fund used to account for all transactions which are not accounted for in another fund, but excluding federal funds received by that fund.

[(4)] "Expenditure ceiling" means the maximum general fund appropriations allowed in any year. The expenditure ceiling shall be determined by considering the fiscal year 1978-79 general fund appropriations as the expenditure ceiling. The expenditure ceiling for succeeding fiscal years shall be computed by adjusting the immediate prior fiscal year expenditure ceiling by the applicable state growth. When revisions are made to total state personal income, the expenditure ceiling shall be recalculated on the basis of the latest available date,¹ going back to fiscal year 1978-79."

SECTION 2. Section 37-93, Hawaii Revised Statutes, is amended to read as follows:

"[]§37-93[] Legislature. (a) The legislature shall not make appropriations from the general fund for each fiscal year of the biennium or each supplementary budget fiscal year which will exceed the expenditure ceiling for that fiscal year.

(b) The legislature may make appropriations from the general fund in excess of those allowed by subsection (a) by:

- (1) A two-thirds vote of the members to which each house of the legislature is entitled;
- (2) Setting forth the dollar amount and the rate by which the appropriations allowed by the change in the state growth will be exceeded; and
- (3) Setting forth the reasons for exceeding the appropriations allowed by the percentage change in the state growth;

in each act which will cause appropriations from the state general fund to exceed those allowed by the change in state growth.

(c) When revisions in the state personal income series made by the United States Department of Commerce, Social and Economic Statistics Administration, Bureau of Economic Analysis, or its successor, result in the

recalculation of expenditure ceilings which then are found to be less than appropriation levels, the excess appropriations shall not be deemed invalid and shall remain as authorized in their respective legislative sessions.”

SECTION 3. Section 37-113, Hawaii Revised Statutes, is amended to read as follows:

“[]§37-113[] **Council on revenues; estimate of total personal income.** The council on revenues shall prepare an estimate of the total state personal income for the calendar year in progress and for the next succeeding calendar year for which such income has not been determined or published and shall report the estimate and any revision thereto to the director of finance, the governor, the chief justice, and the legislature each July 15 and October 15.”

SECTION 4. Act 277, section 5, Session Laws of Hawaii 1980, is amended to read as follows:

“SECTION 5. This Act shall take effect on July 1, 1980 and shall be repealed as of [June 30, 1984.] June 30, 1986.”

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

SECTION 6. This Act shall take effect on June 30, 1984.

(Approved May 29, 1984.)

Note

1. Should probably read “data”.