

ACT 136

ACT 136

S.B. NO. 138

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

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

308

SECTION 1. Chapter 37, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§37- Council on revenues; estimate of total personal income. The council shall prepare an estimate of the total state personal income for the calendar year in progress and, when necessary, 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 2. Section 37-91, Hawaii Revised Statutes, is amended by amending the definition of “state growth” to read as follows:

““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] fiscal year for which appropriations from the state general fund[,] are to be made. When revisions are made to total state personal income, state growth shall be recalculated on the basis of the latest available data.”

SECTION 3. Section 37-92, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) The governor shall submit a plan of proposed appropriations for the State to the legislature which shall accompany the state budget in odd-numbered years and the supplemental budget in even-numbered years. The plan of proposed appropriations shall include the executive budget, proposed grants to private entities, and any specific appropriation measures to be proposed by the executive branch, and estimates of the aggregate proposed appropriations of the judicial and legislative branches of government. In any year in which the plan of proposed appropriations from the general fund exceeds the expenditure ceiling, the governor shall set forth the dollar amount, the rate by which the expenditure ceiling would be exceeded, and the reasons for proposing appropriations in excess of those allowed under the expenditure ceiling.”

2. By amending subsection (d) to read:

“(d) The budget documents presented by the governor to the legislature shall include a statement or summary showing (1) the total state personal income for each of the four calendar years immediately preceding the [session of the legislature making] fiscal year for which appropriations from the state general fund[,] are to be made, (2) the appropriations from the general fund for the previous fiscal year, (3) the appropriations from the general fund for the fiscal year in progress, and (4) the general fund expenditure ceiling [for the ensuing fiscal year and] for the fiscal year in progress[.] and for the ensuing fiscal year or, when necessary, for each fiscal year of the ensuing biennium.”

3. By amending subsection (e) to read:

“(e) The governor shall also include a statement or summary showing (1) recommended appropriations from the general fund for the executive branch for the ensuing fiscal year[.] or fiscal biennium, (2) actual appropriations from the general fund for the executive branch plus any recommended appropriations from the general fund for the executive branch for the fiscal

ACT 136

year in progress, (3) the appropriations from the general fund for the executive branch for the previous fiscal year, and (4) the general fund appropriation ceiling for the executive branch as established by subsection (b) [for the ensuing fiscal year and] for the fiscal year in progress[.] and for the ensuing fiscal year or, when necessary, for each fiscal year of the ensuing biennium."

4. By amending subsection (g) to read:

"(g) The budget documents presented by the chief justice to the legislature shall include a statement or summary showing (1) recommended appropriations from the general fund for the judicial branch for the ensuing fiscal year[,] or fiscal biennium. (2) actual appropriations from the general fund for the judicial branch plus any recommended appropriations from the general fund for the judicial branch for the fiscal year in progress, (3) the appropriations from the general fund for the judicial branch for the previous fiscal year, and (4) the general fund appropriation ceiling for the judicial branch as established by subsection (b)[, for the ensuing fiscal year and] for the fiscal year in progress[.] and for the ensuing fiscal year or, when necessary, for each fiscal year of the ensuing biennium."

SECTION 4. Section 37-93, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) [The] Notwithstanding the prohibition in subsection (a), 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."

SECTION 5. Section 37-94, Hawaii Revised Statutes, is amended to read as follows:

"§37-94 Director of finance; duties. A preliminary estimate of the state growth and expenditure ceiling shall be determined by the director of finance as of August 1 of each year. The final estimate of the state growth and expenditure ceiling to be used by the legislature to make appropriations from the general fund in each year shall be determined by the director of finance as of November 1 of each year. Upon the determination of both the preliminary estimate and the final estimate of the state growth and expenditure ceiling, the director shall inform the governor, chief justice, and the legislature, and shall give public notice of such state growth and expenditure ceiling and the maximum dollar amount that may be appropriated from the general fund by publication twice in successive weeks in a newspaper of general circulation in the State."

SECTION 6. Section 2 of Act 1, First Special Session Laws of Hawaii 1986, is amended to read as follows:

"SECTION 2. This Act shall take effect on July 1, 1986[, and shall be repealed as of June 30, 1987]."

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.¹

SECTION 8. This Act shall take effect on June 30, 1987.

(Approved June 5, 1987.)

Note

1. Edited pursuant to HRS §23G-16.5.