

ACT 258

H.B. NO. 3173

A Bill for an Act Relating to the Honolulu Symphony.

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

SECTION 1. Section 40-88, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§40-88]]~~ [Honolulu symphony] State of Hawaii endowment fund created. There shall be established [a fund to be known as the Honolulu symphony endowment fund which shall be administered by the department of accounting and general services. The income from the endowment fund shall be used for operations of the Honolulu symphony. The aggregate principal sum in the endowment fund shall be invested by the department in a manner which will preserve the principal sum and maximize the rate of return on investment of the fund. The department, in accord with chapter 91, may adopt rules to carry out the purposes of this section.] as a separate fund of the Honolulu symphony trust created by the trust agreement dated December 5, 1986, a fund to be known as the State of Hawaii endowment fund, the income and capital gains from which fund shall be used for operations of the Honolulu symphony. The State of Hawaii endowment fund shall be subject to the restrictions that:

- (1) No part of the principal amount contributed to the fund by the State or by matching grants shall be used for operations of the Honolulu symphony;
- (2) Income and capital gains from the fund shall not be distributed for use in the operations of the Honolulu symphony during any period that the value of the fund shall be less than the principal amounts contributed to the fund; and
- (3) The amounts contributed to the fund by the State shall revert to the State to the extent that matching or other conditions to the grant of the funds are not met, and the fund shall also be subject to additional restrictions as may be imposed with respect to transfers of funds in future legislation appropriating sums to be contributed to the fund.

The aggregate principal sum in the fund shall be invested in accordance with the provisions of the Honolulu symphony trust in a manner intended to max-

imize the rate of return on investment of the fund consistent with the objective of preserving the principal amounts contributed to the fund. In the event of the termination of the Honolulu symphony trust, the principal amount of all contributions made by the State to the State of Hawaii endowment fund shall be distributed to the general fund of the State and any other amounts remaining in the State of Hawaii endowment fund shall be distributed in accordance with the provisions of the Honolulu symphony trust. An annual audit by an independent auditor covering the State of Hawaii endowment fund shall be submitted to the department of accounting and general services by the Honolulu symphony.”

SECTION 2. Act 382, Session Laws of Hawaii 1987, is amended by amending section 2 to read as follows:

“SECTION 2. There is appropriated out of the general revenues of the State of Hawaii a sum up to \$500,000 in fiscal year 1987-1988, to lapse in fiscal year 1988-1989, and a sum up to \$500,000 in fiscal year 1988-1989 to establish the [Honolulu symphony] State of Hawaii endowment fund. [This] The sum appropriated for fiscal year 1987-1988 to the State of Hawaii endowment fund shall be made available to the fund in fiscal year 1987-1988 and shall be released upon the enactment of this Act; the sum appropriated for fiscal year 1988-1989[;] shall be made available to the fund on July 1, 1988; provided that such sums are to be matched by the Honolulu symphony on a one-to-one basis through a special fund-raising effort, separate and apart from the symphony’s annual fund-raising drive. Any state funds, not to exceed \$1,000,000, not matched by the Honolulu symphony by the end of fiscal year 1989 shall revert to the general fund.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 9, 1988.)