

ACT 368

H.B. NO. 1826

A Bill for an Act Relating to State Educational Facilities Improvement Special Fund.

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

SECTION 1. The legislature finds and determines that the quality of public education in the State is related to the condition of public school facilities. The physical facilities used by the department of education for public instruction require extraordinary amounts of funds for capital improvements and repairs to improve their condition. The legislature finds and determines that it is in the best interest of the State, for a reasonable time, to earmark a portion of tax revenues for purposes of improving physical facilities used by the department of education for public instruction.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new section to be appropriately designated and to read as follows:

“§       **State educational facilities improvement special fund.** There is created in the treasury of the State the state educational facilities improvement special fund, into which shall be deposited a portion of all general excise tax revenues collected by the department of taxation under section 237-31. The state educational facilities improvement special fund shall be used solely to plan, design, acquire lands, construct, provide equipment, and improve public schools and other facilities under the jurisdiction of the department of education, except public libraries. Ex-

penditures from the state educational facilities improvement special fund shall be limited to projects authorized by the legislature and shall be subject to the provisions of sections 37-31 through 37-40. Appropriations or authorizations from the state educational facilities improvement special fund shall be expended by the comptroller.

All unobligated, unencumbered, or unexpended funds remaining in the state educational facilities improvement special fund as of June 30, 1999, shall revert to the general fund of the State. The state educational facilities improvement special fund shall be terminated as of June 30, 1999."

SECTION 3. Section 237-31, Hawaii Revised Statutes, is amended to read as follows:

**"§237-31 Remittances.** All remittances of taxes imposed by this chapter shall be made by money, bank draft, check, cashier's check, money order, or certificate of deposit to the office of the department of taxation to which the return was transmitted. The department shall issue its receipts therefor to the taxpayer and shall pay the moneys into the state treasury as a state realization, to be kept and accounted for as provided by law; provided that on or about September 1 of each year from 1989 through 1995, the sum of \$90 million from all general excise tax revenues realized by the State shall be deposited in the state treasury in each fiscal year to the credit of the state educational facilities improvement special fund; provided further that from July 1, 1981, to June 30, 1991, all taxes derived from the sale of liquid fuel under section 237-16, sold or used for operating motor vehicles upon the public highways of the State, shall be deposited into the state treasury to the credit of the state highway fund.

The director of taxation with the approval of the governor shall establish by July 1 of each year from 1984 through 1990, a formula that will equitably establish the amount of taxes collected under section 237-16 in each fiscal year that are derived from the sale of liquid fuel sold or used for operating motor vehicles upon the public highways of the State which are to be deposited into the state treasury to the credit of the state highway fund."

SECTION 4. Section 36-27, Hawaii Revised Statutes, is amended to read as follows:

**"§36-27 Transfers from special funds for central service expenses.** Except as hereinafter provided, and notwithstanding any provisions of any other law to the contrary, there shall be deducted from time to time by the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the special summer school fund under section 298-3.5; the school cafeteria special funds of the community colleges, the department of education, and the university laboratory school; [and] the special funds of the student housing, summer session, division of continuing education and community service, campus center, and bookstores of the University of Hawaii[.]; and the state educational facilities improvement special fund, five per cent of all receipts of each such special fund, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers."

SECTION 5. Section 36-30, Hawaii Revised Statutes, is amended to read as follows:

**"§36-30 Special fund reimbursements for departmental administrative expenses.** Each special fund, except the special summer school fund under section

298-3.5; the school cafeteria special funds of the community colleges, the department of education, and the university laboratory school; [and] the special funds of the student housing, summer session, division of continuing education and community service, campus center, and bookstores of the University of Hawaii[,]; and the state educational facilities improvement special fund, shall be responsible for its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned. Administrative expenses shall include, but shall not be limited to, salaries, maintenance of buildings and grounds, utilities, and general office expenses. The pro rata share of each special fund shall be that proportion of the administrative expenses of the department, including those paid from all special funds administered by the department, which the expenditures of the special fund bear to the total expenditures of the department; provided that in determining the amount to be charged to each special fund for its pro rata share, credit shall be given for any administrative expenses paid from the special fund concerned and such other adjustments shall be made as may be necessary to achieve an equitable apportionment. The director of finance may determine the amount to be charged to each special fund and may cause the amounts to be transferred to the general funds as reimbursements.”

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>1</sup>

SECTION 7. This Act shall take effect on July 1, 1989.

(Approved June 19, 1989.)

**Note**

1. Edited pursuant to HRS §23G-16.5.