

ACT 125

H.B. NO. 2423

A Bill for an Act Relating to the State Highway Fund.

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

SECTION 1. The legislature finds that Act 178, Session Laws of Hawaii 2005, appropriated a total of \$10,000,000 for fiscal year 2005-2006 from the state highway fund to the city and county of Honolulu (\$4,000,000), the county of Hawaii (\$2,000,000), the county of Maui (\$2,000,000), and the county of Kauai (\$2,000,000), as subsidies for county road work. The legislature also finds that section 248-9, Hawaii Revised Statutes, authorizes the use of state highway fund moneys only for the state highway system. It does not authorize the use of such moneys for the road systems of the counties.

The purpose of this Act is to authorize the use of moneys from the state highway fund for the road systems of the counties for fiscal year 2005-2006.

SECTION 2. Section 248-9, Hawaii Revised Statutes, is amended to read as follows:

“**§248-9 State highway fund.** (a) Moneys in the state highway fund may be expended for the following purposes:

- (1) To pay the costs of operation, maintenance, and repair of the state highway system, including without limitation, the cost of equipment and general administrative overhead;
- (2) To pay the costs of acquisition (including real property and interests therein), planning, designing, construction and reconstruction of the state highway system, and bikeways, including, without limitation, the cost of equipment and general administrative overhead; [and]
- (3) To reimburse the general fund for interest on and principal of general obligation bonds issued to finance highway projects where the bonds are designated to be reimbursable out of the state highway fund[-]; and
- (4) To pay the costs of construction, maintenance, and repair of county roads; provided that none of the funds expended on a county road or program shall be federal funds when such expenditure would cause a violation of federal law or a federal grant agreement.

(b) At any time the director of transportation may transfer from the state highway fund all or any portion of available moneys determined by the director of transportation to be in excess of one hundred thirty-five per cent of the requirements for the ensuing twelve months for the state highway fund as permitted by and in accordance with section 37-53. For purposes of the determination, the director of transportation shall take into consideration:

- (1) The amount of federal funds and bond funds on deposit in, and budgeted to be expended from, the state highway fund during the period;
- (2) Amounts on deposit in the state highway fund which are encumbered or otherwise obligated;
- (3) Budgeted amounts payable from the state highway fund during the period;
- (4) Revenues anticipated to be received by and expenditures to be made from the state highway fund during the period based on existing agreements and other information for the ensuing twelve months; and
- (5) Any other factors as the director of transportation shall deem appropriate.”

SECTION 3. It is the intent of this Act not to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof to the holders of any bond issued by the State or any such agency, and to the extent, and only to the extent, necessary to effectuate this intent, the governor may modify the strict provisions of this Act, but shall promptly report any such modification with reasons therefor to the legislature at its next session thereafter for review by the legislature.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 24, 2006.)