

## ACT 266

S.B. NO. 1092

A Bill for an Act Making an Appropriation to Recapitalize the Hurricane Reserve Trust Fund.

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

SECTION 1. The State is emerging from one of the most challenging economic periods in its history. During the last several years, extreme measures had to be taken to keep the State solvent, including: furloughs; temporary salary reductions; reductions-in-force; forced downsizing of programs and services; purchasing and hiring freezes; and enactment of temporary revenue enhancements. Additionally, most of the State's fiscal reserves, the emergency and budget reserve fund and the hurricane reserve trust fund, were committed to forestalling even greater spending reductions and revenue enhancement measures.

One of the clear lessons learned from this experience is the necessity of having sufficient fiscal reserves to help sustain the State through the worst conditions. Now that the economy is rebounding and more revenues are available, a concerted effort must be made to recapitalize the State's depleted fiscal reserves as expeditiously as possible.

Act 62, Session Laws of Hawaii 2011, which authorized use of the hurricane reserve trust fund to support the general fund, requires that one-half of the total amount of funds transferred to the general fund (\$111,000,000) in fiscal year 2010-2011 shall be repaid from general excise tax revenues to the Hawaii hurricane relief fund in fiscal years 2013-2014 and 2014-2015. As such, \$55,500,000 will be deposited into the hurricane reserve trust fund each year for fiscal years 2013-2014 and 2014-2015.

This Act proposes to further accelerate recapitalization of fiscal reserves, as is fiscally prudent, by transferring an additional \$50,000,000 to the hurricane reserve trust fund in fiscal year 2013-2014.

The purpose of this Act is to appropriate general funds to the hurricane reserve trust fund. As the State continues its economic recovery, accelerated recapitalization of this fiscal reserve trust fund is prudent and fiscally sound.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000,000 or so much thereof as may be necessary for fiscal year 2013-2014 for the purpose of recapitalizing the hurricane reserve trust fund established in section 431P-16, Hawaii Revised Statutes.

The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2013.

(Approved July 3, 2013.)