



GOV. MSG. NO. 134b

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 14, 2015

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker
and Members of the House
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

Re: SB1092 SD1 HD1

SB1092 SD1 HD1, entitled "A BILL FOR AN ACT RELATING TO THE REPEAL OF NON-GENERAL FUNDS" will become law without my signature, pursuant to Article III, Section 16 of the State Constitution.

This measure repeals or reclassifies various non-general funds and lapses the unencumbered remaining balances to the credit of the general fund. While I support the intent of the measure to streamline unused or inactive non-general funds, the reclassification of non-general funds violates the single subject requirement of Article III, Section 14 of the State Constitution.

Article III, Section 14 of the State Constitution states, in relevant part, that "Each law shall embrace but one subject, which shall be expressed in its title." Thus, a bill that addresses subjects outside of its title violates the provision.

The title of this bill is "Relating to the Repeal of Non-General Funds," which meets the single subject requirement, but several sections in the body of the legislation seek to reclassify, not repeal the non-general funds, which becomes a violation of single subject requirement.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

For the reasons stated above, SB1092 SD1 HD1 will become law as ACT 237 (15), Session laws of Hawaii 2015, effective July 14, 2015, without my signature.

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE
Governor, State of Hawaii

Permitted to become law without the

Governor's signature JUL 14 2015
THE SENATE
TWENTY-EIGHTH LEGISLATURE, 2015
STATE OF HAWAII

ACT 237
S.B. NO. 1092
S.D. 1
H.D. 1

A BILL FOR AN ACT

RELATING TO THE REPEAL OF NON-GENERAL FUNDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The purpose of this Act is to repeal or
3 reclassify various non-general funds in accordance with the
4 Auditor's recommendations in Auditor's Report Nos. 14-05 and 14-
5 13.

6 PART II

7 SECTION 2. The purpose of this part is to repeal the
8 pineapple workers and retirees housing assistance fund.

9 The legislature finds that the fund is no longer necessary.
10 It has had no balance or activity in recent years.

11 SECTION 3. Section 201H-85, Hawaii Revised Statutes, is
12 repealed.

13 ~~["§201H 85] Pineapple workers and retirees housing~~
14 ~~assistance fund; established. (a) There is established in the~~
15 ~~state treasury the pineapple workers and retirees housing~~
16 ~~assistance fund to provide mortgage payments or rent subsidies~~
17 ~~for eligible Del Monte Fresh Produce pineapple workers and~~



1 ~~retirees and their families who are displaced or affected by the~~
2 ~~closure of Del Monte Fresh Produce. The pineapple workers and~~
3 ~~retirees housing assistance fund shall be administered by the~~
4 ~~corporation.~~

5 ~~(b) Moneys appropriated for the purposes of this section~~
6 ~~shall be deposited into the pineapple workers and retirees~~
7 ~~housing assistance fund; provided that, upon fulfillment of the~~
8 ~~purposes of this section, all unencumbered moneys shall lapse~~
9 ~~into the general fund. The corporation shall establish~~
10 ~~guidelines with respect to eligible Del Monte Fresh Produce~~
11 ~~pineapple workers and retirees and mortgage payments or rental~~
12 ~~assistance payments under this section.~~

13 ~~(c) The corporation shall adopt rules in accordance with~~
14 ~~chapter 91 to effectuate the purposes of this section."]~~

15 PART III

16 SECTION 4. The purpose of this part is to repeal the
17 transportation use special fund.

18 The legislature finds that the transportation use special
19 fund, established by section 261D-1, Hawaii Revised Statutes,
20 has been unused, has held no deposits for many years, and should



1 be repealed. According to the department of transportation and
2 state auditor, this fund has outlived its purpose.

3 SECTION 5. Section 36-30, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) Each special fund, except the:

6 [~~1~~] ~~Transportation use special fund established by section~~
7 ~~261D-1;~~

8 ~~2~~] (1) Special out-of-school time instructional program
9 fund under section 302A-1310;

10 [~~3~~] (2) School cafeteria special funds of the department
11 of education;

12 [~~4~~] (3) Special funds of the University of Hawaii;

13 [~~5~~] (4) State educational facilities improvement special
14 fund;

15 [~~6~~] (5) Special funds established by section 206E-6;

16 [~~7~~] (6) Aloha Tower fund created by section 206J-17;

17 [~~8~~] (7) Funds of the employees' retirement system created
18 by section 88-109;

19 [~~9~~] (8) Hawaii hurricane relief fund established under
20 section 431P-2;



- 1 [~~(10)~~] (9) Convention center enterprise special fund
2 established under section 201B-8;
- 3 [~~(11)~~] (10) Hawaii health systems corporation special funds
4 and the subaccounts of its regional system boards;
- 5 [~~(12)~~] (11) Tourism special fund established under section
6 201B-11;
- 7 [~~(13)~~] (12) Universal service fund established under section
8 269-42;
- 9 [~~(14)~~] (13) Emergency and budget reserve fund under section
10 328L-3;
- 11 [~~(15)~~] (14) Public schools special fees and charges fund
12 under section 302A-1130;
- 13 [~~(16)~~] (15) Sport fish special fund under section 187A-9.5;
- 14 [~~(17)~~] (16) Center for nursing special fund under section
15 304A-2163;
- 16 [~~(18)~~] (17) Passenger facility charge special fund
17 established by section 261-5.5;
- 18 [~~(19)~~] (18) Court interpreting services revolving fund under
19 section 607-1.5;
- 20 [~~(20)~~] (19) Hawaii cancer research special fund;
- 21 [~~(21)~~] (20) Community health centers special fund;



1 ~~[(1)] That portion of the payments received by the~~
2 ~~department under a contract entered into as authorized~~
3 ~~by section 261-7 and deposited in the transportation~~
4 ~~use special fund pursuant to section 261D-1;~~

5 ~~-(2)]~~ (1) All proceeds from the passenger facility charge
6 and deposited in the passenger facility charge special
7 fund; and

8 ~~[(3)]~~ (2) All proceeds from the rental motor vehicle
9 customer facility charge and deposited in the rental
10 motor vehicle customer facility charge special fund,
11 all moneys received by the department from rents, fees, and
12 other charges collected pursuant to this chapter, as well as all
13 aviation fuel taxes paid pursuant to section 243-4(a)(2), shall
14 be paid into the airport revenue fund created by section 248-8.

15 All moneys paid into the airport revenue fund shall be
16 appropriated, applied, or expended by the department for any
17 purpose within the jurisdiction, powers, duties, and functions
18 of the department related to the statewide system of airports,
19 including, without limitation, the costs of operation,
20 maintenance, and repair of the statewide system of airports and
21 reserves therefor, and acquisitions (including real property and



1 interests therein), constructions, additions, expansions,
2 improvements, renewals, replacements, reconstruction,
3 engineering, investigation, and planning for the statewide
4 system of airports, all or any of which in the judgment of the
5 department are necessary to the performance of its duties or
6 functions. The department shall generate sufficient revenues
7 from its airport properties to meet all of the expenditures of
8 the statewide system of airports and to comply with section 39-
9 61; provided that as long as sufficient revenues are generated
10 to meet such expenditures, the director of transportation may,
11 in the director's discretion, grant a rebate of the aviation
12 fuel taxes paid into the airport revenue fund during a fiscal
13 year pursuant to sections 243-4(a)(2) and 248-8 to any person
14 who has paid airport use charges or landing fees during such
15 fiscal year. Such rebate may be granted during the next
16 succeeding fiscal year but shall not exceed one-half cent per
17 gallon per person, and shall be computed on the total number of
18 gallons for which the tax was paid by such person, for such
19 fiscal year.

20 (b) At any time the director of transportation may
21 transfer from the airport revenue fund all or any portion of the



1 moneys received by the department paid under a contract entered
2 into as authorized by section 261-7 on account of the display,
3 sale and delivery of in-bond merchandise displayed or sold at
4 locations in the State other than on airport properties, as
5 permitted under federal law without causing a violation of
6 federal grant agreements, which the director of transportation
7 shall determine, pursuant to rules promulgated pursuant to
8 chapter 91, to be in excess of one hundred fifty per cent of the
9 requirements of the airport revenue fund for the ensuing twelve
10 months.

11 (c) All expenditures by the department shall be on
12 vouchers duly approved by the director of transportation or such
13 other officer as may be designated by the director.

14 ~~[(d) Notwithstanding the provisions contained in any~~
15 ~~contract authorized by section 261-7 in effect on June 13, 1989,~~
16 ~~from and after June 13, 1989, to and including June 30, 1990,~~
17 ~~all payments made under such contract allocable to the display~~
18 ~~and sale of in bond merchandise at locations in the State other~~
19 ~~than on airport properties shall be credited to the~~
20 ~~transportation use special fund established by section 261D-1 in~~
21 ~~the airport revenue fund established by section 248-8, but shall~~



1 ~~not be appropriated, applied, or expended prior to July 1, 1990,~~
2 ~~except for purposes provided under this section.] "~~

3 SECTION 7. Section 261D-1, Hawaii Revised Statutes, is
4 repealed.

5 [~~"§261D-1 Transportation use special fund; established.~~
6 ~~There is created in the treasury of the State, as a separate~~
7 ~~account in the airport revenue fund established by section 248-~~
8 ~~8, the transportation use special fund. There shall be credited~~
9 ~~to such account that portion of the moneys received by the~~
10 ~~department of transportation paid under any contract entered~~
11 ~~into as authorized by section 261-7 on account of the display,~~
12 ~~sale, and delivery of in bond merchandise displayed or sold at~~
13 ~~locations in the State other than on airport properties in the~~
14 ~~manner provided by rules adopted pursuant to chapter 91 as~~
15 ~~permitted under federal law without causing a violation of~~
16 ~~federal grant agreements, or as shall be mutually agreed upon by~~
17 ~~the State and any appropriate agency of the federal government,~~
18 ~~provided that no moneys so credited may be appropriated,~~
19 ~~applied, or expended from the transportation use special fund~~
20 ~~prior to July 1, 1990, except for purposes provided under~~



1 ~~section 261 5. The director of transportation shall administer~~
2 ~~the fund."]~~

3 SECTION 8. Section 261D-3, Hawaii Revised Statutes, is
4 repealed.

5 [~~"[§261D-3] Exempted from reimbursement for departmental~~
6 ~~administrative expenses. The transportation use special fund is~~
7 ~~exempted from section 36 30."]~~

8 SECTION 9. Section 261D-4, Hawaii Revised Statutes, is
9 repealed.

10 [~~"[§261D-4] Report to the legislature. The director of~~
11 ~~transportation shall submit a report to the legislature, not~~
12 ~~later than thirty days after the end of each fiscal year with~~
13 ~~respect to the transportation use special fund. The report~~
14 ~~shall include, but not be limited to, the following:~~

15 (1) ~~The amount of moneys received and deposited in the~~
16 ~~transportation use special fund and the amount of~~
17 ~~moneys transferred from the transportation use special~~
18 ~~fund to any other special fund of the department of~~
19 ~~transportation for the fiscal year just ended;~~

20 (2) ~~The amount of moneys expected to be received by the~~
21 ~~department of transportation, pursuant to section~~



1 (b) Moneys in the [~~trust~~] special fund shall be used
2 exclusively to provide for the development and implementation of
3 emergency measures to respond to any tourism emergency pursuant
4 to section 201B-9, including providing emergency assistance to
5 tourists during the tourism emergency.

6 (c) Use of the [~~trust~~] special fund, consistent with
7 subsection (b), shall be provided for in articles, bylaws,
8 resolutions, or other instruments executed by the board as
9 [~~trustee~~] administrator for the [~~trust~~] special fund."

10 SECTION 12. Section 237D-6.5, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) Revenues collected under this chapter shall be
13 distributed as follows, with the excess revenues to be deposited
14 into the general fund:

15 (1) \$26,500,000 shall be allocated to the convention
16 center enterprise special fund established under
17 section 201B-8;

18 (2) \$82,000,000 shall be allocated to the tourism special
19 fund established under section 201B-11; provided that:

20 (A) Beginning on July 1, 2012, and ending on June 30,
21 2015, \$2,000,000 shall be expended from the



1 tourism special fund for development and
2 implementation of initiatives to take advantage
3 of expanded visa programs and increased travel
4 opportunities for international visitors to
5 Hawaii;

6 (B) Of the \$82,000,000 allocated:

7 (i) \$1,000,000 shall be allocated for the
8 operation of a Hawaiian center and the
9 museum of Hawaiian music and dance at the
10 Hawaii convention center; and

11 (ii) 0.5 per cent of the \$82,000,000 shall be
12 transferred to a sub-account in the tourism
13 special fund to provide funding for a safety
14 and security budget, in accordance with the
15 Hawaii tourism strategic plan 2005-2015; and

16 (C) Of the revenues remaining in the tourism special
17 fund after revenues have been deposited as
18 provided in this paragraph and except for any sum
19 authorized by the legislature for expenditure
20 from revenues subject to this paragraph,
21 beginning July 1, 2007, funds shall be deposited



1 into the tourism emergency [~~trust~~] special fund,
2 established in section 201B-10, in a manner
3 sufficient to maintain a fund balance of
4 \$5,000,000 in the tourism emergency [~~trust~~]
5 special fund;

- 6 (3) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
7 for fiscal year 2015-2016, and \$93,000,000 for each
8 fiscal year thereafter shall be allocated as follows:
9 Kauai county shall receive 14.5 per cent, Hawaii
10 county shall receive 18.6 per cent, city and county of
11 Honolulu shall receive 44.1 per cent, and Maui county
12 shall receive 22.8 per cent; provided that commencing
13 with fiscal year 2018-2019, a sum that represents the
14 difference between a county public employer's annual
15 required contribution for the separate trust fund
16 established under section 87A-42 and the amount of the
17 county public employer's contributions into that trust
18 fund shall be retained by the state director of
19 finance and deposited to the credit of the county
20 public employer's annual required contribution into
21 that trust fund in each fiscal year, as provided in



1 section 87A-42, if the respective county fails to
2 remit the total amount of the county's required annual
3 contributions, as required under section 87A-43;

4 (4) \$3,000,000 shall be allocated to the Turtle Bay
5 conservation easement special fund established under
6 section 201B-8.6 for the payment of debt service on
7 revenue bonds, the proceeds of which were used to
8 acquire the conservation easement in Turtle Bay, Oahu,
9 until the bonds are fully amortized; and

10 (5) Of the excess revenues deposited into the general fund
11 pursuant to this subsection, \$3,000,000 shall be
12 allocated subject to the mutual agreement of the board
13 of land and natural resources and the board of
14 directors of the Hawaii tourism authority in
15 accordance with the Hawaii tourism authority strategic
16 plan for:

17 (A) The protection, preservation, and enhancement of
18 natural resources important to the visitor
19 industry;

20 (B) Planning, construction, and repair of facilities;
21 and



1 (C) Operation and maintenance costs of public lands
2 connected with enhancing the visitor experience.

3 All transient accommodations taxes shall be paid into the
4 state treasury each month within ten days after collection and
5 shall be kept by the state director of finance in special
6 accounts for distribution as provided in this subsection.

7 As used in this subsection, "fiscal year" means the twelve-
8 month period beginning on July 1 of a calendar year and ending
9 on June 30 of the following calendar year."

10 PART V

11 SECTION 13. The purpose of this part is to reclassify the
12 various housing loan special funds established pursuant to
13 section 201H-80, Hawaii Revised Statutes, as revolving funds.

14 The legislature finds that each of these funds functions
15 as, and meets the criteria for, a revolving fund and should be
16 reclassified as a revolving fund.

17 SECTION 14. Section 36-27, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) Except as provided in this section, and
20 notwithstanding any other law to the contrary, from time to
21 time, the director of finance, for the purpose of defraying the



1 prorated estimate of central service expenses of government in
2 relation to all special funds, except the:

3 (1) Special out-of-school time instructional program fund
4 under section 302A-1310;

5 (2) School cafeteria special funds of the department of
6 education;

7 (3) Special funds of the University of Hawaii;

8 (4) State educational facilities improvement special fund;

9 (5) Convention center enterprise special fund under
10 section 201B-8;

11 (6) Special funds established by section 206E-6;

12 [~~7~~] ~~Housing loan program revenue bond special fund;~~

13 ~~8~~] ~~Housing project bond special fund;~~

14 ~~9~~] 7 Aloha Tower fund created by section 206J-17;

15 [~~10~~] 8 Funds of the employees' retirement system created
16 by section 88-109;

17 [~~11~~] 9 Hawaii hurricane relief fund established under
18 chapter 431P;

19 [~~12~~] 10 Hawaii health systems corporation special funds
20 and the subaccounts of its regional system boards;



1 ~~[(25)]~~ (23) Rental motor vehicle customer facility charge
2 special fund established under section 261-5.6;
3 ~~[(26)]~~ (24) Shared services technology special fund under
4 section 27-43;
5 ~~[(27)]~~ (25) Automated victim information and notification
6 system special fund established under section 353-136;
7 ~~[(28)]~~ (26) Deposit beverage container deposit special fund
8 under section 342G-104;
9 ~~[(29)]~~ (27) Hospital sustainability program special fund
10 under Act 217, Session Laws of Hawaii 2012, as amended
11 by Act 141, Session Laws of Hawaii 2013;
12 ~~[(30)]~~ (28) Nursing facility sustainability program special
13 fund under Act 156, Session Laws of Hawaii 2012;
14 ~~[(31)]~~ (29) Hawaii 3R's school improvement fund~~[(+)]~~ under
15 section 302A-1502.4; and
16 ~~[(32)]~~ (30) After-school plus program revolving fund under
17 section 302A-1149.5,
18 shall deduct five per cent of all receipts of all special funds,
19 which deduction shall be transferred to the general fund of the
20 State and become general realizations of the State. All
21 officers of the State and other persons having power to allocate



1 or disburse any special funds shall cooperate with the director
2 in effecting these transfers. To determine the proper revenue
3 base upon which the central service assessment is to be
4 calculated, the director shall adopt rules pursuant to chapter
5 91 for the purpose of suspending or limiting the application of
6 the central service assessment of any fund. No later than
7 twenty days prior to the convening of each regular session of
8 the legislature, the director shall report all central service
9 assessments made during the preceding fiscal year."

10 SECTION 15. Section 201H-75, Hawaii Revised Statutes, is
11 amended by amending subsection (c) to read as follows:

12 "(c) The trustee shall also be authorized by the
13 corporation to hold and administer any housing project bond
14 [~~special~~] revolving funds and housing loan program revenue bond
15 [~~special~~] revolving funds established pursuant to section 201H-
16 80. The trustee may receive and receipt for, hold, and
17 administer the revenues derived by the corporation from any
18 housing project or projects or loan program for which the bonds
19 are issued or the projects or loan programs pledged to the
20 payment of the bonds. The trustee shall apply the revenues to
21 the payment of the cost of administering, operating, and



1 maintaining the housing project or projects or loan program; to
2 pay the principal of and the interest on the bonds; to the
3 establishment of reserves; and to other purposes as may be
4 authorized in the proceedings providing for the issuance of the
5 bonds."

6 SECTION 16. Section 201H-80, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By amending its title to read:

9 "~~[§]201H-80 [§]~~ Housing finance revolving fund; bond
10 ~~[special]~~ revolving funds."

11 2. By amending subsections (b) to (d) to read as follows:

12 "(b) All moneys received and collected by the corporation,
13 not otherwise pledged or obligated nor required by law to be
14 placed in any other special or revolving fund, shall be
15 deposited in the housing finance revolving fund.

16 (c) A separate ~~[special]~~ revolving fund shall be
17 established for each housing project or system of housing
18 projects or loan program financed from the proceeds of bonds
19 secured under the same trust indenture. Each fund shall be
20 designated "housing project bond ~~[special]~~ revolving fund" or
21 "housing loan program revenue bond ~~[special]~~ revolving fund", as



1 appropriate, and shall bear any additional designation as the
2 corporation deems appropriate to properly identify the fund.

3 (d) Notwithstanding any other law to the contrary, all
4 revenues, income, and receipts derived from a housing project or
5 system of projects or loan program financed from the proceeds of
6 bonds or pledged to the payment of the principal of and interest
7 and premium on bonds, shall be paid into the housing project
8 bond [~~special~~] revolving fund or housing loan program revenue
9 bond [~~special~~] revolving fund established for the housing
10 project or system of projects or loan program and applied as
11 provided in the proceedings authorizing the issuance of the
12 bonds."

13 SECTION 17. Section 201H-100, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "[~~f~~] §201H-100 [~~f~~] Housing loan programs; fees. The
16 corporation may establish, revise, charge, and collect fees,
17 premiums, and charges as necessary, reasonable, or convenient,
18 for its housing loan programs. The fees, premiums, and charges
19 shall be deposited into the housing loan program revenue bond
20 [~~special~~] revolving fund established for the particular housing



1 loan program or part thereof from which the fees, premiums, and
2 charges are derived as determined by the corporation."

3 SECTION 18. The housing loan program revenue bond special
4 fund - rental housing system, established in 1987 and
5 administered by the department of business, economic
6 development, and tourism, shall be reclassified as a revolving
7 fund and renamed the housing loan program revenue bond revolving
8 fund - rental housing system.

9 SECTION 19. The housing loan program revenue bond fund,
10 established in 1979 and administered by the department of
11 business, economic development, and tourism, and also known as
12 the single family mortgage purchase revenue bond fund, shall be
13 reclassified as a revolving fund.

14 SECTION 20. The housing project bond special fund - multi
15 family, established in 1980 and administered by the department
16 of business, economic development, and tourism, shall be
17 reclassified as a revolving fund and be renamed the housing
18 project bond revolving fund - multi family.



1 PART VI

2 SECTION 21. The purpose of this part is to reclassify the
3 rental housing trust fund as a revolving fund.

4 The legislature finds that the fund serves the purpose for
5 which it was created, but does not meet the criteria for a trust
6 fund, and should be reclassified as a revolving fund.

7 SECTION 22. Section 201H-6, Hawaii Revised Statutes, is
8 amended by amending subsection (f) to read as follows:

9 "(f) The corporation, through the housing advocacy and
10 information system, shall develop and maintain an affordable
11 housing inventory registry to identify:

12 (1) Affordable housing projects developed by the
13 corporation utilizing moneys in the rental housing
14 ~~[trust]~~ revolving fund established pursuant to section
15 201H-202 or the dwelling unit revolving fund~~[r]~~
16 established pursuant to section 201H-191;

17 (2) State and federal public housing projects identified
18 by the Hawaii public housing authority;

19 (3) United States Department of Housing and Urban
20 Development Region 9 federally supported and privately
21 managed housing projects; and



1 (4) State and county lands that may be developed for
2 affordable housing, as defined in section 201H-57(b)."

3 SECTION 23. Chapter 201H, Hawaii Revised Statutes, is
4 amended by amending the title of part III, subpart J, to read as
5 follows:

6 "J. Rental Housing [~~Trust~~] Revolving Fund"

7 SECTION 24. Section 201H-201, Hawaii Revised Statutes, is
8 amended by amending the definition of "fund" to read as follows:

9 "'Fund" means the rental housing [~~trust~~] revolving fund
10 established [~~in this subpart.~~] pursuant to section 201H-202."

11 SECTION 25. Section 201H-202, Hawaii Revised Statutes, is
12 amended by amending its title and subsection (a) to read as
13 follows:

14 "§201H-202 Rental housing [~~trust~~] revolving fund. (a)

15 There is established the rental housing [~~trust~~] revolving fund
16 to be administered by the corporation."

17 SECTION 26. Section 247-7, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "§247-7 Disposition of taxes. All taxes collected under
20 this chapter shall be paid into the state treasury to the credit
21 of the general fund of the State, to be used and expended for



1 the purposes for which the general fund was created and exists
2 by law; provided that of the taxes collected each fiscal year:

3 (1) Ten per cent shall be paid into the land conservation
4 fund established pursuant to section 173A-5;

5 (2) Twenty-five per cent from July 1, 2009, until June 30,
6 2012; thirty per cent from July 1, 2012, until
7 June 30, 2014; and fifty per cent in each fiscal year
8 thereafter shall be paid into the rental housing
9 ~~[trust]~~ revolving fund established by section 201H-

10 202; and

11 (3) Twenty per cent from July 1, 2009, until June 30,
12 2012, and twenty-five per cent in each fiscal year
13 thereafter shall be paid into the natural area reserve
14 fund established by section 195-9; provided that the
15 funds paid into the natural area reserve fund shall be
16 annually disbursed by the department of land and
17 natural resources in the following priority:

18 (A) To natural area partnership and forest
19 stewardship programs after joint consultation
20 with the forest stewardship committee and the
21 natural area reserves system commission;



1 The legislature finds that the fund does not serve the
2 purpose for which it was created, does not meet the criteria for
3 a revolving fund, has never been used, has not supported any
4 investment, and should be repealed. The legislature further
5 finds that chapter 211G, Hawaii Revised Statutes, should be
6 repealed because the fund is inactive.

7 SECTION 30. Section 211F-4, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The corporation shall have all of the powers
10 necessary to carry out its purposes which shall include but not
11 be limited to the power to:

- 12 (1) Adopt rules pursuant to chapter 91 to carry out the
13 purposes of this chapter;
- 14 (2) Adopt an official seal;
- 15 (3) Sue and be sued, in its own name;
- 16 (4) Finance, conduct, or cooperate in financing or
17 conducting technological, business, financial, or
18 other investigations that are related to or likely to
19 lead to business and economic development by making
20 and entering into contracts and other appropriate
21 arrangements, including the provision of loans, start-



- 1 up and expansion capital, and other forms of
2 assistance;
- 3 (5) Solicit, study, and assist in the preparation of
4 business plans and proposals;
- 5 (6) Provide advice and technical and marketing assistance,
6 support, and promotion to enterprises in which
7 investments have been made;
- 8 (7) Coordinate the corporation's programs with any
9 education and training program;
- 10 (8) Carry out specialized programs designed to encourage
11 the development of new products, businesses, and
12 markets;
- 13 (9) Prepare, publish, and distribute such technical
14 studies, reports, bulletins, and other materials as it
15 deems appropriate, subject only to the maintenance and
16 respect for confidentiality of client proprietary
17 information;
- 18 (10) Organize, conduct, sponsor, or cooperate in and assist
19 in the conduct of conferences, demonstrations, and
20 studies relating to the stimulation and formation of



- 1 businesses [~~and to fulfilling the objectives and~~
2 ~~purposes of chapter 211G~~];
- 3 (11) Provide and pay for such advisory services and
4 technical, managerial, and marketing assistance,
5 support, and promotion as may be necessary or
6 desirable to carry out the purposes of this chapter;
- 7 (12) Acquire, hold, and sell qualified securities;
- 8 (13) Consent, subject to the provisions of any contract
9 with noteholders or bondholders, whenever the
10 corporation deems it necessary or desirable in the
11 fulfillment of the purposes of this chapter, to the
12 modification, with respect to rate of interest, time
13 of payment of any installment of principal or
14 interest, or any other terms, of any contract or
15 agreement of any kind to which the corporation is a
16 party;
- 17 (14) Accept donations, grants, bequests, and devises of
18 money, property, service, or other things of value
19 that may be received from the United States or any
20 agency thereof, any governmental agency, or any public
21 or private institution, person, firm, or corporation,



- 1 to be held, used, or applied for any or all of the
2 purposes specified in this chapter. Receipt of each
3 donation or grant shall be detailed in the annual
4 report of the corporation. The report shall include
5 the identity of the donor or lender, the nature of the
6 transaction, and any conditions attaching thereto;
- 7 (15) Invest any funds held in reserves or sinking funds, or
8 any funds not required for immediate disbursement, in
9 such investments as may be lawful for fiduciaries in
10 the State;
- 11 (16) Acquire real property, or an interest therein, by
12 purchase or foreclosure, where that acquisition is
13 necessary or appropriate to protect or secure any
14 investment or loan in which the corporation has an
15 interest; sell, transfer, and convey the property to a
16 buyer and if the sale, transfer, or conveyance cannot
17 be effected with reasonable promptness or at a
18 reasonable price, to lease the property to a tenant;
- 19 (17) Acquire, own, hold, dispose of, and encumber personal
20 property of any nature, or any interest therein;



1 The legislature finds that the fund does not serve the
2 purpose for which it was created and should be repealed.

3 SECTION 33. Section 225M-6, Hawaii Revised Statutes, is
4 repealed.

5 ~~["§225M-6 Fees for statewide planning and geographic
6 information system services and products. The office of
7 planning may charge fees for statewide planning and geographic
8 information system services and products. All fees collected
9 for statewide planning and geographic information system
10 analyses and other related services shall be deposited into the
11 statewide geospatial information and data integration special
12 fund for the sole purpose of supporting the statewide planning
13 and geographic information system. The office shall adopt rules
14 setting fees for statewide planning and geographic information
15 system services and products."]~~

16 SECTION 34. Section 225M-7, Hawaii Revised Statutes, is
17 repealed.

18 ~~["[§225M-7] Statewide geospatial information and data
19 integration special fund. (a) There is established in the
20 state treasury the statewide geospatial information and data
21 integration special fund, into which shall be deposited:~~



- 1 ~~(1) Moneys directed, allocated, or disbursed to the~~
- 2 ~~statewide geospatial information and data integration~~
- 3 ~~program from other government agencies or private~~
- 4 ~~sources to help support the acquisition of hardware,~~
- 5 ~~software, applications, and databases;~~
- 6 ~~(2) Moneys directed, allocated, or disbursed to the~~
- 7 ~~statewide geospatial technologies program from non-~~
- 8 ~~state sources, including but not limited to grants,~~
- 9 ~~awards, and donations;~~
- 10 ~~(3) Moneys collected as fees for statewide planning and~~
- 11 ~~geographic information system services rendered; and~~
- 12 ~~(4) Investment earnings credited to the assets of the fund~~
- 13 ~~and all interest on special fund balances.~~
- 14 ~~(b) The statewide geospatial information and data~~
- 15 ~~integration special fund shall be used to help defray the cost~~
- 16 ~~of, including but not limited to the following:~~
- 17 ~~(1) Programs and activities to implement this chapter,~~
- 18 ~~including the provision of state funds to match~~
- 19 ~~federal funds from the United States Geological Survey~~
- 20 ~~or other federal departments; and~~



1 financing programs, or [~~sections~~] section 201H-80[~~7~~] or 201H-
2 123 [~~7~~, ~~or 516-44~~] may be made by the corporation without
3 appropriation or allotment by the legislature; provided that no
4 expenditure shall be made from and no obligation shall be
5 incurred against any revolving fund in excess of the amount
6 standing to the credit of the fund or for any purpose for which
7 the fund may not lawfully be expended. Nothing in sections 37-
8 31 to 37-41 shall require the proceeds of the revolving funds
9 identified in subparts I and J of part III, or [~~sections~~]
10 section 201H-80 [~~7~~] or 201H-123 [~~7~~, ~~or 516-44~~] to be reappropriated
11 annually."

12 SECTION 37. Section 516-5, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "§516-5 Penalty. Any person who violates this chapter
15 shall be fined not more than \$5,000 nor less than \$1,000 or
16 imprisoned not more than one year, or both. [~~All fines~~
17 ~~collected shall be deposited in the fee simple [residential]~~
18 ~~revolving fund created by this chapter.~~]"

19 SECTION 38. Section 516-45, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "§516-45 General obligation bonds. The director of
2 finance may, from time to time, issue general obligation bonds
3 in such amounts as may be authorized by the legislature, for the
4 purpose of acquisition by the Hawaii housing finance and
5 development corporation of residential houselots within
6 development tracts pursuant to chapter 516, part II or for the
7 acquisition of suitable properties to exchange pursuant to
8 section 516-24.5 or for the acquisition by the department of
9 land and natural resources under section 171-50.1 of suitable
10 properties for exchange pursuant to section 171-50.2 to
11 effectuate the purpose of this chapter. [~~The principal and~~
12 ~~interest of general obligation bonds issued pursuant to this~~
13 ~~section shall be reimbursed to the general fund from the fee~~
14 ~~simple residential revolving fund as provided in section 516-~~
15 ~~44.] Pending the receipt of funds from the issuance and sale of
16 general obligation bonds, amounts required within the limits of
17 legislative authorization may be advanced to the Hawaii housing
18 finance and development corporation from the general fund of the
19 State. Upon the receipt of the bond funds, the general fund
20 shall be reimbursed the amount advanced."~~



1 SECTION 39. Section 516-44, Hawaii Revised Statutes, is
2 repealed.

3 [~~"§516-44 Fee simple residential revolving fund. A fee
4 simple residential revolving fund is created. The funds
5 appropriated for the purposes of this chapter and chapter 519
6 and all moneys received or collected by the Hawaii housing
7 finance and development corporation under this chapter and
8 chapter 519 shall be deposited in the revolving fund. Moneys
9 collected to reimburse the corporation from the lessees for
10 their pro rata share of the direct costs incurred by the
11 corporation under this chapter shall be deposited into the
12 revolving fund. The proceeds in the funds shall first be used
13 to pay the principal and interest on bonds or other indebtedness
14 issued by the corporation, or by the State, and then for
15 necessary expenses, including indirect costs of the corporation
16 in administering chapters 516 and 519.~~

17 Moneys in the fund shall be used to pay all costs of
18 chapters 516 and 519 including administration."]

19 PART XI

20 SECTION 40. The following funds are abolished:



1 SECTION 44. This Act shall take effect on July 1, 2015;
2 provided that sections 5 and 14 of this Act shall take effect on
3 June 29, 2015; provided further that the amendments made in
4 sections 5 and 14 shall not be repealed when sections 36-27 and
5 36-30, Hawaii Revised Statutes, are reenacted on:

6 (A) June 30, 2015, pursuant to section 34 of Act 79,
7 Session Laws of Hawaii 2009; and

8 (B) December 31, 2015, pursuant to section 7 of Act
9 124, Session Laws of Hawaii 2014.

APPROVED this day of , 2015

GOVERNOR OF THE STATE OF HAWAII