



GOV. MSG. NO. 1102

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

February 13, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813


The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813


Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on February 13, 2012, the following bill was signed into law:

SB239 SD2 HD2 CD1*

RELATING TO THE HAWAII TOBACCO
SETTLEMENT SPECIAL FUND.
Act 002 (12)


NEIL ABERCROMBIE
Governor, State of Hawaii

A BILL FOR AN ACT

RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND.

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

1 SECTION 1. The legislature finds that the John A. Burns
2 school of medicine was authorized under Act 264, Session Laws of
3 Hawaii 2007, to use a portion of Hawaii tobacco settlement
4 special fund moneys for annual operating expenses to support the
5 school's operations and train and graduate new physicians. This
6 authorization was repealed on June 30, 2011.

7 The purpose of this Act is to re-instate the authorization
8 that allows the John A. Burns school of medicine to use a
9 portion of Hawaii tobacco settlement special fund moneys for
10 annual operating expenses until 2015 while reducing the portion
11 of fund moneys by one per cent per fiscal year starting with
12 fiscal year 2013-2014 until the fiscal year ending on June 30,
13 2015.

14 SECTION 2. Section 328L-2, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) The fund shall be used for the purpose of receiving,
17 allocating, and appropriating the tobacco settlement moneys as
18 follows:



- 1 (1) Fifteen per cent shall be appropriated into the
2 emergency and budget reserve fund under section
3 328L-3; provided that for fiscal years 2012 and 2013,
4 this percentage shall be deposited into the general
5 fund;
- 6 (2) Twenty-five per cent shall be appropriated to the
7 department for purposes of section 328L-4;
- 8 (3) Six and one-half per cent shall be appropriated into
9 the Hawaii tobacco prevention and control trust fund
10 under section 328L-5; provided that for fiscal years
11 2012 and 2013, this percentage shall be deposited into
12 the general fund; [and]
- 13 (4) Twenty-eight per cent shall be appropriated into the
14 university revenue-undertakings fund created in
15 section 304A-2167.5 to be applied [~~solely~~] to the
16 payment of the principal of and interest on, and to
17 generate required coverage, if any, for revenue bonds
18 issued by the board of regents of the University of
19 Hawaii to finance the cost of construction of a
20 university health and wellness center, including a new
21 medical school facility, to be situated on the island
22 of Oahu, for the succeeding fiscal year; and the



1 payment of annual operating expenses incurred by the
2 new medical school facility; provided that starting
3 with fiscal year 2013-2014, the amount to be
4 appropriated to the university revenue-undertakings
5 fund shall be reduced to twenty-seven per cent;
6 provided further that starting with fiscal year 2014-
7 2015, the amount shall be reduced to twenty-six per
8 cent; provided further that any moneys in excess of
9 the amount required [~~to pay principal of and interest~~
10 ~~on, and to generate required coverage, if any, for~~
11 ~~such revenue bonds in any fiscal year,]~~ under this
12 paragraph shall be transferred [~~as follows+~~] in the
13 succeeding fiscal year to the [~~emergency and budget~~
14 ~~reserve fund under section 328L-3,]~~ general fund; and
15 (5) Twenty-five and one-half per cent shall be deposited
16 to the credit of the state general fund; provided that
17 the one per cent reduction in the appropriation to the
18 university revenue-undertakings fund for fiscal year
19 2013-2014 under paragraph (4) shall be deposited to
20 the credit of the general fund in addition to the
21 twenty-five and one-half per cent of Hawaii tobacco
22 settlement special fund moneys deposited pursuant to



1 this paragraph; provided further that the one per cent
2 reduction in the appropriation to the university
3 revenue-undertakings fund for fiscal year 2014-2015
4 under paragraph (4) shall be deposited to the credit
5 of the general fund in addition to the twenty-six and
6 one-half per cent of Hawaii tobacco settlement special
7 fund moneys deposited pursuant to this paragraph.

8 in the succeeding fiscal year."

9 SECTION 3. The University of Hawaii shall prepare a
10 detailed accounting of all revenues and expenditures relating
11 to:

12 (1) Moneys appropriated into the university revenue-
13 undertakings fund established under section
14 304A-2167.5, Hawaii Revised Statutes; and

15 (2) Any moneys used for the operating costs of the medical
16 school facility.

17 This accounting information shall be submitted to the
18 legislature no later than twenty days prior to the convening of
19 the regular sessions of 2013, 2014, and 2015.

20 SECTION 4. The University of Hawaii shall submit a report
21 to the legislature detailing its financial plan to fund the
22 operating expenses of the John A. Burns school of medicine



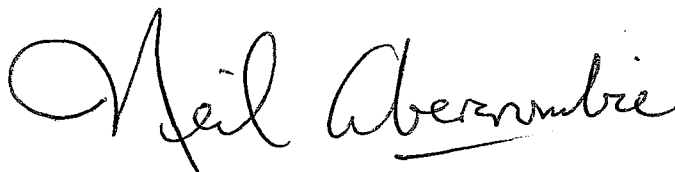
1 beginning July 1, 2015, when it is no longer authorized to use a
2 portion of the Hawaii tobacco settlement special fund moneys.
3 The financial plan shall include an itemized list of all means
4 of funding the John A. Burns school of medicine's operating
5 expenses.

6 This report shall be submitted to the legislature no later
7 than twenty days prior to the convening of the regular sessions
8 of 2013, 2014, and 2015.

9 SECTION 5. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 6. This Act shall take effect upon its approval,
12 and shall be repealed on June 30, 2015; provided that section
13 328L-2, Hawaii Revised Statutes, shall be reenacted in the form
14 in which it read on the day before the effective date of Act
15 264, Session Laws of Hawaii 2007.

APPROVED this 13 day of FEB, 2012



GOVERNOR OF THE STATE OF HAWAII