
A BILL FOR AN ACT

RELATING TO CERTAIN FUNDS UNDER THE DEPARTMENT OF LABOR AND
INDUSTRIAL RELATIONS.

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

1 SECTION 1. The legislature finds that certain funds in the
2 department of labor and industrial relations are classified and
3 operated incongruently from their statutory designations.
4 According to the legislative auditor's report no. 12-10, issued
5 on December 7, 2012, the confusion in classifying funds may be
6 due to the inconsistency between the name given to the fund by
7 the statute that establishes it; the definitions provided by the
8 department of accounting and general services; and the
9 definitions of special, revolving, and trust funds contained in
10 the Hawaii Revised Statutes.

11 The purpose of this Act is to clarify the classification of
12 five of the department of labor and industrial relation's funds
13 as trust funds as recommended by the legislative auditor.

14 SECTION 2. Section 383-121, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§383-121 Unemployment compensation trust fund;
17 **establishment and control.** There is established in the treasury



1 of the State as a [~~special~~] trust fund, separate and apart from
2 all public moneys or funds of the State, an unemployment
3 compensation fund, which shall be administered by the department
4 of labor and industrial relations exclusively for the purposes
5 of this chapter. All contributions pursuant to this chapter
6 shall be paid into the fund and all compensation and benefits
7 payable pursuant to this chapter shall be paid from the fund.
8 All moneys in the fund shall be mingled and undivided. The fund
9 shall consist of:

- 10 (1) All contributions collected pursuant to this chapter;
- 11 (2) Interest earned on any moneys in the fund;
- 12 (3) Any property or securities acquired through the use of
13 moneys belonging to the fund;
- 14 (4) All earnings of such property or securities;
- 15 (5) All moneys credited to this State's account in the
16 unemployment trust fund pursuant to section 903 of the
17 Social Security Act, as amended; and
- 18 (6) All other moneys received for the fund from any other
19 source."

20 SECTION 3. Section 386-151, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) There is hereby created a trust fund to be known as
2 the special compensation fund which shall consist of payments
3 made to it as provided by law. The director of finance of the
4 State shall be custodian of the fund, and all disbursements
5 therefrom shall be paid by the director of finance upon orders
6 by the director of labor and industrial relations."

7 SECTION 4. Section 392-61, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§392-61 Establishment of [~~special~~] trust fund for**
10 **disability benefits.** There is established in the treasury of
11 the State, separate and apart from all public moneys or funds of
12 the State, a [~~special~~] trust fund for disability benefits which
13 shall be administered by the director exclusively for the
14 purposes of this chapter; and for the establishment and
15 maintenance of a family leave data collection system under
16 section 398-9.5. All contributions pursuant to this part shall
17 be paid into the fund and all benefits payable under this part
18 shall be paid from the fund. The fund shall consist of (1) all
19 contributions collected pursuant to this part, together with any
20 interest thereon; (2) all fines and penalties for the fund
21 pursuant to this chapter; (3) all moneys collected by way of
22 subrogation; (4) interest earned on any moneys in the fund; (5)



1 any property or securities acquired through the use of moneys
2 belonging to the fund; (6) all earnings of such property and
3 securities; and (7) all other moneys received for the fund from
4 any source."

5 SECTION 5. Section 393-41, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "[+]§393-41[+] Establishment of [~~special~~] premium
8 supplementation trust fund. There is established in the
9 treasury of the State, separate and apart from all public moneys
10 or funds of the State, a [~~special~~] trust fund for premium
11 supplementation which shall be administered exclusively for the
12 purposes of this chapter. All premium supplementations payable
13 under this part shall be paid from the fund. The fund shall
14 consist of (1) all money appropriated by the State for the
15 purposes of premium supplementation under this part and (2) all
16 fines and penalties collected pursuant to this chapter."

17 SECTION 6. To conform to the change in the name "special
18 fund for disability benefits" to "trust fund for disability
19 benefits," the title of part IV of chapter 392, Hawaii Revised
20 Statutes, and sections 392-28(3) and (4), 392-42.5(b), 392-43(f)
21 and (g), 392-45, 392-46, 392-47, 392-52, 392-62, 392-63, 392-64,
22 392-65, 392-67, 392-69, 392-72(a), 392-78(d), and 392-92(b),



1 Hawaii Revised Statutes, are amended by substituting the word
2 "trust fund" or like term, wherever the words "special fund" or
3 like term appears, as the context requires.

4 SECTION 7. To conform to the change in the name "special
5 fund for premium supplementation" to "trust fund for premium
6 supplementation," sections 393-33(a) and 393-34(b), Hawaii
7 Revised Statutes, are amended by substituting the words "trust
8 fund" or like term, wherever the words "special fund" or like
9 term appears, as the context requires.

10 SECTION 8. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 9. This Act shall take effect upon its approval.



Report Title:

Trust Funds, Reclassification

Description:

Clarifies the classification of certain special funds under the Department of Labor and Industrial Relations as trust funds as recommended by the Legislative Auditor. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

