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# 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12 repealed.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1 be repealed.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       ~~[(22)]~~ (21) Emergency medical services special fund;  
2       ~~[(23)]~~ (22) Rental motor vehicle customer facility charge  
3               special fund established under section 261-5.6;  
4       ~~[(24)]~~ (23) Shared services technology special fund under  
5               section 27-43;  
6       ~~[(25)]~~ (24) Nursing facility sustainability program special  
7               fund established pursuant to Act 156, Session Laws of  
8               Hawaii 2012;  
9       ~~[(26)]~~ (25) Automated victim information and notification  
10              system special fund established under section 353-136;  
11              and  
12       ~~[(27)]~~ (26) Hospital sustainability program special fund  
13              under Act 217, Session Laws of Hawaii 2012, as amended  
14              by Act 141, Session Laws of Hawaii 2013,  
15 shall be responsible for its pro rata share of the  
16 administrative expenses incurred by the department responsible  
17 for the operations supported by the special fund concerned."  
18       SECTION 6. Section 261-5, Hawaii Revised Statutes, is  
19 amended to read as follows:  
20       "§261-5 Disposition of airport revenue fund. (a) Except  
21 for:



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           ~~261D-1, for the transportation use special fund and to~~  
2           ~~be transferred to any other special fund of the~~  
3           ~~department of transportation for the current fiscal~~  
4           ~~year; and~~  
5           ~~(3) Any interest accrued or expense deducted from the~~  
6           ~~moneys in the transportation use special fund, with an~~  
7           ~~explanation for each." ]~~

## PART IV

9           SECTION 10. The purpose of this part is to rename and  
10          reclassify the tourism emergency trust fund as a special fund.

11          The legislature finds that the fund functions more like a  
12          special fund and should be classified as a special fund.

13          SECTION 11. Section 201B-10, Hawaii Revised Statutes, is  
14          amended to read as follows:

15          "~~[+]§201B-10[+]~~ Tourism emergency ~~[trust]~~ special fund.

16          (a) There is established outside the state treasury a tourism  
17          emergency ~~[trust]~~ special fund to be administered by the board  
18          ~~[as trustee]~~, into which shall be deposited the revenues  
19          prescribed by section 237D-6.5(b). All investment earnings from  
20          moneys in the ~~[trust]~~ special fund shall be credited to the  
21          tourism special fund~~[.]~~ established pursuant to section 201B-11.



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 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     ~~[(13)]~~ (11) Tourism special fund established under section  
2                   201B-11;
- 3     ~~[(14)]~~ (12) Universal service fund established under section  
4                   269-42;
- 5     ~~[(15)]~~ (13) Emergency and budget reserve fund under section  
6                   328L-3;
- 7     ~~[(16)]~~ (14) Public schools special fees and charges fund  
8                   under section 302A-1130;
- 9     ~~[(17)]~~ (15) Sport fish special fund under section 187A-9.5;
- 10    ~~[(18)]~~ (16) Glass advance disposal fee established by section  
11                   342G-82;
- 12    ~~[(19)]~~ (17) Center for nursing special fund under section  
13                   304A-2163;
- 14    ~~[(20)]~~ (18) Passenger facility charge special fund  
15                   established by section 261-5.5;
- 16    ~~[(21)]~~ (19) Court interpreting services revolving fund under  
17                   section 607-1.5;
- 18    ~~[(22)]~~ (20) Hawaii cancer research special fund;
- 19    ~~[(23)]~~ (21) Community health centers special fund;
- 20    ~~[(24)]~~ (22) Emergency medical services special fund;



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 "[~~+~~]§201H-100[+]" 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.



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PART VI

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

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

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

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

- (1) Affordable housing projects developed by the corporation utilizing moneys in the rental housing ~~[trust]~~ revolving fund established pursuant to section 201H-202 or the dwelling unit revolving fund[7] established pursuant to section 201H-191;
- (2) State and federal public housing projects identified by the Hawaii public housing authority;
- (3) United States Department of Housing and Urban Development Region 9 federally supported and privately 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 (B) Projects undertaken in accordance with watershed  
 2 management plans pursuant to section 171-58 or  
 3 watershed management plans negotiated with  
 4 private landowners, and management of the natural  
 5 area reserves system pursuant to section 195-3;  
 6 and

7 (C) The youth conservation corps established under  
 8 chapter 193."

9 PART VII

10 SECTION 27. The purpose of this part is to repeal the  
 11 public facility revenue bond special fund.

12 The legislature finds that the fund does not meet the  
 13 purpose for which it was created and does not meet the criteria  
 14 for a special fund. Accordingly, since the fund is an integral  
 15 part of chapter 206E, part IV, the legislature finds that the  
 16 entire part should be repealed.

17 SECTION 28. Chapter 206E, part IV, Hawaii Revised  
 18 Statutes, is repealed.

19 PART VIII

20 SECTION 29. The purpose of this part is to repeal the  
 21 capital formation revolving fund.



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 (18) Enter into agreements or other transactions with any  
2 federal, state, or county agency;

3 (19) Make contracts and execute all instruments necessary  
4 or convenient for the carrying on of its business;

5 (20) Appear in its own behalf before state, county, or  
6 federal agencies;

7 (21) Procure insurance as may be necessary;

8 (22) Appoint officers, employees, consultants, agents, and  
9 advisors who shall not be subject to chapter 76, and  
10 prescribe their duties and fix compensation within the  
11 limitations provided by law;

12 (23) Appoint advisory committees as deemed necessary; and

13 (24) Exercise any other powers of a corporation organized  
14 under the laws of the State."

15 SECTION 31. Chapter 211G, Hawaii Revised Statutes, is  
16 repealed.

17 PART IX

18 SECTION 32. The purpose of this part is to repeal the  
19 statewide geospatial information and data integration special  
20 fund.



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.





**Report Title:**

Department of Budget and Finance

**Description:**

Repeals or reclassifies various non-general funds in accordance with the Auditor's recommendations in Auditor's Report Nos. 14-05 and 14-13. (SB1092 HD1)

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

