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# A BILL FOR AN ACT

RELATING TO DISPOSITION OF EXCESS REVENUES.

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

1           SECTION 1. The legislature found during the 2015 regular  
2 session that article VII, section 6, of the Hawaii State  
3 Constitution requires the legislature to provide, when certain  
4 conditions occur, a tax refund or tax credit to state taxpayers  
5 or make a deposit into one or more funds, as provided by law, to  
6 serve as temporary supplemental sources of funding or as a  
7 reserve fund for the State. The conditions are that the state  
8 general fund balances at the end of two successive fiscal years  
9 exceed five per cent of the state general revenues for those  
10 fiscal years.

11           The legislature found during the regular session of 2015  
12 that the state general fund balances at the end of fiscal years  
13 2012-2013 and 2013-2014 exceeded five per cent of the state  
14 general revenues for those fiscal years. However, the  
15 legislature also found that the legislature was required during  
16 the regular session of 2015 to provide a tax refund or credit  
17 and could not, pursuant to section 328L-3(a)(3), Hawaii Revised  
18 Statutes, make a deposit into a reserve fund.



1           The legislature found that the best course of action during  
2 the regular session of 2015 was to make a deposit into the  
3 emergency and budget reserve fund instead of providing a tax  
4 refund or credit. The legislature found it preferable during  
5 the regular session of 2015 to increase the reserve fund at that  
6 time to address possible emergencies and contingencies that may  
7 occur in the future when state revenues slow down.

8           Although the legislature intended to provide a \$10,000,000  
9 deposit of general fund revenues into the emergency and budget  
10 reserve fund in fiscal year 2014-2015 and authorized such  
11 action, the funds could not be deposited because of an  
12 inadvertent error in the approval processing of S.B. No. 1312,  
13 S.D. 1, H.D. 1, C.D. 1, regular session of 2015.

14           The purpose of this Act is to re-appropriate moneys to  
15 comply with article VII, section 6, of the Hawaii State  
16 Constitution Hawaii for the fiscal year 2014-2015 period.

17           SECTION 2. Notwithstanding any law to the contrary, for  
18 the fiscal year 2014-2015 period, the director of finance shall  
19 transfer to the emergency and budget reserve fund the total sum  
20 of the tax credit or tax refund as determined by the legislature



1 pursuant to the provisions of article VII, section 6, of the  
2 Hawaii State Constitution.

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$10,000,000 or so  
5 much thereof as may be necessary for fiscal year 2015-2016 to be  
6 deposited into the emergency and budget reserve fund by the  
7 director of finance for the fiscal year 2014-2015 period.

8 SECTION 4. This Act shall take effect upon its approval.

9



**Report Title:**

Disposition of Excess Revenues; Emergency and Budget Reserve Fund

**Description:**

Re-appropriates \$10,000,000 in general funds to the emergency and budget reserve fund for fiscal year 2015-2016. (SD1)

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

