
A BILL FOR AN ACT

RELATING TO THE STATE FUNDS.

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

1 SECTION 1. Section 28-16, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:
3 "(c) Disbursements from each account maintained under
4 subsection (b) may include attorney's fees and other necessary
5 expenses that the department determines to be reasonable and
6 directly related to prosecution of the civil action for which
7 the account is maintained; provided that in the case of moneys
8 deposited as a result of recoveries by an agency to which a non-
9 general fund applies, the moneys shall be held and disbursed
10 intact for deposit to the credit of the non-general fund. Money
11 deposited in the fund pursuant to an order of the court shall be
12 disbursed in accordance with the order of the court. Any
13 residual funds remaining in an account shall be transferred to
14 the respective non-general [~~or general~~] fund with which the
15 civil action is associated or, if no specific non-general fund
16 applies, transferred to the emergency and budget reserve fund
17 established pursuant to section 328L-3, no later than thirty



1 days after the civil action for which the account is maintained
2 is closed and all costs of that civil action have been paid,
3 unless otherwise provided for by statute."

4 SECTION 2. Section 328L-3, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There is established in the state treasury the
7 emergency and budget reserve fund, which shall be a special fund
8 administered by the director of finance and into which shall be
9 deposited:

10 (1) Moneys received from the tobacco settlement moneys
11 under section 328L-2;

12 (2) Notwithstanding any other law to the contrary, any
13 moneys received through a civil action in which the
14 State is a party and no other law or court order
15 specifically provides for the deposit elsewhere of
16 moneys received through the action;

17 (3) Appropriations made by the legislature to the fund;
18 and

19 ~~[-3-]~~ (4) Five per cent of the state general fund balance
20 at the close of the fiscal year, whenever state
21 general fund revenues for each of two successive



H.B. NO. 1115

1 fiscal years exceeds revenues for each of the
2 preceding fiscal years by five per cent. For the
3 purpose of this section, the general fund balance at
4 the close of the fiscal year shall be calculated after
5 any:

6 (A) Tax refund or tax credit is provided by the
7 legislature;

8 (B) Deposit into the emergency and budget reserve
9 fund or another reserve fund is appropriated by
10 the legislature; or

11 (C) Prepayment of general obligation bond debt
12 service or pension or other post-employment
13 benefit liability is appropriated by the
14 legislature;

15 during the same regular session as the transfer
16 depositing such moneys to the emergency and budget
17 reserve fund; provided that transfers shall not be
18 made to the emergency and budget reserve fund whenever
19 the balance of the emergency and budget reserve fund
20 is equal to or more than ten per cent of general fund



H.B. NO. 1115

1 revenues for the preceding fiscal year. The transfer
2 shall be executed by the director of finance.

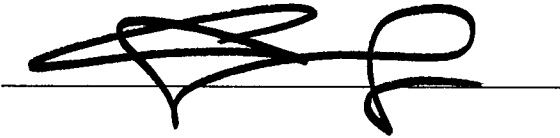
3 All moneys deposited into the emergency and budget reserve fund
4 under paragraphs (1) [~~and~~], (2), and (3) and all moneys
5 deposited under paragraph [~~(3)~~] (4) shall be kept in separate
6 and distinct accounts."

7 SECTION 3. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

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

10

INTRODUCED BY:



JAN 26 2021



H.B. NO. 1115

Report Title:

Emergency and Budget and Reserve Fund; Rainy Day Fund; Moneys Received Through Civil Action

Description:

Provides for the deposit into the emergency and budget reserve fund of moneys received by the State through a civil action in which the State is a party and no other law or court order specifically provides for the deposit elsewhere of moneys received through the action.

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