
A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT OF 1920, AS
AMENDED.

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

1 SECTION 1. Section 213 of the Hawaiian Homes Commission
2 Act, 1920, as amended, is amended by amending subsection (d) to
3 read as follows:

4 "(d) There are established in the treasury of the State
5 [five special] four trust funds, to be known respectively as the
6 Hawaiian home operating fund, [the Hawaiian home administration
7 account,] the Hawaiian home receipts fund, the Hawaiian home
8 trust fund, and the native Hawaiian rehabilitation fund and one
9 special fund to be known as the Hawaiian homes administration
10 account."

11 SECTION 2. Section 213 of the Hawaiian Homes Commission
12 Act, 1920, as amended, is amended by amending subsection (i) to
13 read as follows:

14 "(i) Native Hawaiian rehabilitation fund. Pursuant to
15 Article XII, Section 1, of the State Constitution, thirty per
16 cent of the state receipts, derived from lands previously
17 cultivated as sugarcane lands under any other provision of law
18 and from water licenses, shall be deposited into this fund. The
19 department shall use this money solely for the rehabilitation of

1 native Hawaiians which shall include[,] but not be limited to[,]
2 the educational, economic, political, social, and cultural
3 processes by which the general welfare and conditions of native
4 Hawaiians are thereby improved and perpetuated.

5 The native Hawaiian rehabilitation fund shall be subject to
6 the following conditions:

7 (1) All moneys received by the fund shall be deposited in
8 the state treasury and kept separate and apart from all
9 other moneys in the state treasury;

10 (2) The director of finance shall serve as a custodian of
11 the fund. All payments from the fund shall be made by
12 the director of finance only upon vouchers approved by
13 the commission;

14 (3) The commission shall develop guidelines for the
15 investment of moneys in the fund;

16 (4) The commission may invest and reinvest in investments
17 authorized in chapter 88. The commission may hold,
18 purchase, sell, assign, transfer, or dispose of any
19 securities and investments in which any of the moneys
20 shall have been invested, as well as the proceeds of
21 such investments; and

22 (5) The commission may pay out of any of the moneys held
23 for investment, a reasonable amount to any person for

1 supplying investment advisory or consultive services;
2 and to meet such other costs incident to the prudent
3 investment of moneys as the commission may approve.

4 Any payment of principal, interest, or other earnings
5 arising out of the loan or investment of money from this fund
6 shall be credited to and deposited into this fund.

7 Sections 214, 215, 216, and 217 shall not apply to
8 administration of this fund. The department is authorized to
9 adopt rules under chapter 91 necessary to administer and carry
10 out the purposes of this fund."

11 SECTION 3. Statutory material to be repealed is bracketed.
12 New statutory material is underscored.

13 SECTION 4. This Act shall take effect on July 1, 1998.

APPROVED BY THE
GOVERNOR ON

APR 23 1998