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July 20, 2006

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2006-12

RE: Act 304, Session Laws of Hawaii 2006, Relating to Education

On July 12, 2006, HB 1891, HD 2, SD 2, CD 1, was enacted into law as Act 304 without Governor Linda Lingle's signature. Act 304 addresses the issue of under-funded educational facilities, specifically the major repair and maintenance backlog.

Section 237-31, Hawaii Revised Statutes, is amended to increase the amount of funds to be deposited into the State Educational Facilities Improvement Special Fund, which is the difference between $90 million and any general obligation bond financing for educational facilities. This $45 million increase exists for two fiscal years.

Finally, Act 304 clarifies that use of the funds is for improvement of educational facilities capital improvement program needs.

Act 304 takes effect on July 1, 2006, and is repealed on June 30, 2008.

For more information on Act 304, please contact the Rules Office at (808) 587-1577.

KURT KAWAFUCHI
Director of Taxation