



GOV. MSG. NO. 830

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 15, 2009

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith SB1206 SD1 HD1 CD1, without my approval, and with the statement of objections relating to the measure.

SB1206 SD1 HD1 CD1

A BILL FOR AN ACT  
RELATING TO COUNTIES.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle", with a large, stylized loop at the end.

LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

July 15, 2009

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1206

Honorable Members  
Twenty-Fifth Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1206, entitled "A Bill for an Act Relating to Counties."

The purpose of this bill is to allow Honolulu city and county boards to issue revenue bonds in their own name that are not subject to taxation by the State of Hawaii.

This bill is objectionable because it interferes with the jurisdictional authority of the City and County of Honolulu and agencies within that jurisdiction. The Honolulu City Charter, Section 7-105, authorizes the Honolulu Board of Water Supply to issue revenue bonds in its own name. Additionally, section 49-3 of Hawaii Revised Statutes provides all counties within the State of Hawaii with the authority to issue revenue bonds.

It is within the legitimate purview of the county councils to determine if they should exercise oversight of the revenue bond issuances of governmental and quasi-governmental entities within their respective counties. The State should not dictate what this relationship should be.

For the foregoing reasons, I am returning Senate Bill No. 1206 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read 'Linda Lingle', written over a circular embossed seal.

LINDA LINGLE  
Governor of Hawaii

# VETO

THE SENATE  
TWENTY-FIFTH LEGISLATURE, 2009  
STATE OF HAWAII

S.B. NO. 1206  
S.D. 1  
H.D. 1  
C.D. 1

---

## A BILL FOR AN ACT

RELATING TO COUNTIES.

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

1       SECTION 1. Section 49-3, Hawaii Revised Statutes, is  
2 amended to read as follows:

3       "§49-3. Additional powers of counties. (a) In addition to  
4 the powers [~~which~~] that it may now have, any county under this  
5 chapter may:

- 6       (1) Construct, acquire by gift, purchase, or the exercise  
7 of the right of eminent domain, reconstruct, improve,  
8 better, or extend any undertaking, within or without  
9 the county, or partially within or partially without  
10 the county, and acquire by gift, purchase, or the  
11 exercise of the right of eminent domain, lands or  
12 rights in land or water rights in connection  
13 [~~therewith~~] with the land rights or undertake the  
14 establishment and administration of a loan program as  
15 authorized by the law;
- 16       (2) Operate and maintain any undertaking and maintain a  
17 loan program as authorized by law and furnish the



services, facilities, and commodities thereof for its own use and for the use of public and private consumers within or without the territorial boundaries of the county;

(3) Issue its revenue bonds to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment, or extension of any undertaking or the establishment and administration of any loan program as authorized by law;

(4) Impose, prescribe, and collect rates, rentals, fees, and charges for the use and services of, and the facilities and commodities furnished by, the undertaking or the use and services of the loan program as authorized by law, as provided in section 49-10; and

(5) Pledge to the punctual payment of the revenue bonds and interest thereon or covenant to pay into any special funds from which any revenue bonds may be payable, all or any portion of the revenue of the undertaking or loan program or of any part thereof, or



1 the user taxes derived therefrom, or any combination  
2 of both (including improvements, betterments, or  
3 extensions thereto thereafter constructed or acquired)  
4 sufficient, among other things, to pay the revenue  
5 bonds and interest thereon as the same shall become  
6 due and create and maintain reasonable reserves  
7 therefor.

8 (b) The governing body of the county in determining the  
9 cost may include ~~[all]~~:

10 (1) All costs and estimated costs of the issuance of the  
11 revenue bonds ~~[,all]~~;

12 (2) All architectural, engineering, inspection, financial,  
13 and legal expenses ~~[,all]~~;

14 (3) All costs of establishing or administering a loan  
15 program authorized by law ~~[,the]~~;

16 (4) The cost of causing the payment of the principal or  
17 interest or both of the revenue bonds to be insured or  
18 guaranteed ~~[,the]~~;

19 (5) The initial cost of any support facility obtained as  
20 permitted by section 49-8 ~~[,]~~ and ~~[interest which it]~~



1       (6) Interest that is estimated will accrue on the bonds  
2               during the construction or origination period and for  
3               six months thereafter.

4       (c) Subject to the approval of the governing body, or in  
5 counties with a population of five hundred thousand or more if  
6 authorized by a county charter to issue revenue bonds in its own  
7 name, a board may exercise all or any part of the powers vested  
8 in the county pursuant to this chapter but only with respect to  
9 an undertaking or loan program under the jurisdiction of [~~such~~]  
10 the board. In the event a board [~~shall-exercise~~] exercises any  
11 of the powers vested in the county pursuant to this chapter, the  
12 term governing body as used in this chapter shall be deemed to  
13 mean the board, and the term director of finance shall be deemed  
14 to mean the chief financial officer of the board."

15       SECTION 2. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17       SECTION 3. This Act shall take effect on July 1, 2009.

