



GOV. MSG. NO. 1334

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

July 05, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 05, 2012, the following bill was signed into law:

HB2347 SD1 CD1

RELATING TO GENERAL OBLIGATION BONDS
FOR REVENUE-PRODUCING UNDERTAKINGS.
Act 231 (12)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

A BILL FOR AN ACT

RELATING TO GENERAL OBLIGATION BONDS FOR REVENUE-PRODUCING
UNDERTAKINGS.

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

SECTION 1. Section 47-4, Hawaii Revised Statutes, is
amended to read as follows:

"§47-4 Bonds for revenue-producing undertakings. General
obligation bonds may be issued under this chapter for an
undertaking or loan program as defined in section 49-1 or for
any other undertaking or purpose for which the bonds are
authorized to be issued by other provisions of general law. The
bonds may be combined into, issued, and sold with other general
obligation bonds of the county as a single issue of bonds. The
governing body may require that the general fund of the county
shall be reimbursed from the revenue of the undertaking, loan
program, or other purpose for all of the principal of and
interest on the bonds, or for such part hereof as the governing
body may determine, and may further provide that the bonds shall
be additionally secured by a pledge of the revenue of the
undertaking, loan program, or other purpose, subject to the
rights of the holders of any bonds then outstanding and the



1 provisions of the ordinances or resolutions authorizing the
2 outstanding bonds. The county may covenant with the holders of
3 the bonds additionally secured by a pledge of such revenues that
4 it will continue to impose and collect such revenues in amounts
5 at least sufficient to provide for the payment of the principal
6 and interest on the bonds to the extent authorized or permitted
7 by law. Whenever the undertaking, loan program, or other
8 enterprise shall be under the management and control of a
9 department or board of the county and the department or board
10 has the power and authority under chapter 49 to issue revenue
11 bonds under that chapter, no bonds shall be authorized under
12 this chapter for that undertaking by the governing body of the
13 county unless the department or board shall have requested the
14 issuance thereof by resolution and no pledge of the revenue of
15 the undertaking shall be made to the payment and security of the
16 bonds unless consented to by the department or board by
17 resolution, and the pledge may be made by the department or
18 board in the resolution requesting the issuance of the proposed
19 bond issue and consenting to the pledge. A county may reserve
20 the right to issue subsequent general obligation bonds equally
21 and additionally secured by a pledge of the revenues of an
22 undertaking, loan program, or other purpose.



1 General obligation bonds may also be issued under this
2 chapter for any purpose authorized by section 47-3 additionally
3 secured by a pledge of one or more specific categories of
4 receipts not covered by the preceding paragraph of this section
5 (which may include, without limitation, any rates, rentals,
6 fees, charges, taxes, state or federal grants or other receipts)
7 that are not derived from an undertaking or loan program for
8 which the bonds are issued, as the governing body may determine,
9 subject to the rights of the holders of any bonds then
10 outstanding and the provisions of the ordinances or resolutions
11 authorizing the outstanding bonds. The bonds may be combined
12 into, issued, and sold with other general obligation bonds of
13 the county as a single issue of bonds. The governing body may
14 require that the general fund of the county shall be reimbursed
15 from the receipts, for all of the principal of and interest on
16 the bonds, or for any part hereof as the governing body may
17 determine. Whenever the receipts to be pledged shall be under
18 the management and control of a department or board of the
19 county, no bonds shall be authorized under this chapter
20 additionally secured by a pledge of the receipts, unless:
21 (1) The department or board shall have requested the
22 issuance thereof by resolution; and



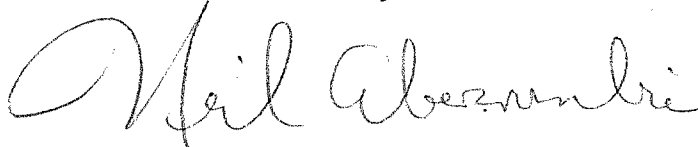
1 (2) The pledge of receipts has been consented to by the
2 department or board by resolution; provided that the
3 pledge may be made by the department or board in the
4 same resolution.

5 The county may covenant with the holders of the bonds
6 additionally secured by a pledge of such other receipts that it
7 will continue to impose and collect the receipts in amounts at
8 least sufficient to provide for the payment of the principal and
9 interest on the bonds to the extent authorized or permitted by
10 law. A county may reserve the right to issue subsequent general
11 obligation bonds equally and additionally secured by a pledge of
12 such receipts."

13 SECTION 2. New statutory material is underscored.

14 SECTION 3. This Act shall take effect upon its approval.

APPROVED this 5 day of JUL , 2012



GOVERNOR OF THE STATE OF HAWAII

