

JAN 25 2012

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# A BILL FOR AN ACT

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RELATING TO GENERAL OBLIGATION BONDS FOR REVENUE-PRODUCING  
UNDERTAKINGS.

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

1       SECTION 1.   Section 47-4, Hawaii Revised Statutes, is  
2   amended to read as follows:  
3       "**§47-4   Bonds for revenue-producing undertakings.**   General  
4   obligation bonds may be issued under this chapter for an  
5   undertaking or loan program as defined in section 49-1 or for  
6   any other undertaking or purpose for which the bonds are  
7   authorized to be issued by other provisions of general law.   The  
8   bonds may be combined into, issued, and sold with other general  
9   obligation bonds of the county as a single issue of bonds.   The  
10   governing body may require that the general fund of the county  
11   shall be reimbursed from the revenue of the undertaking, loan  
12   program, or other purpose for all of the principal of and  
13   interest on the bonds, or for such part hereof as the governing  
14   body may determine, and may further provide that the bonds shall  
15   be additionally secured by a pledge of the revenue of the  
16   undertaking, loan program, or other purpose, subject to the  
17   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 such 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 such revenues of an  
22 undertaking, loan program, or other purpose.



General obligation bonds may also be issued under this chapter for any purpose authorized by section 47-3 additionally secured by a pledge of one or more specific categories of receipts not covered by the preceding paragraph of this section (which may include, without limitation, any rates, rentals, fees, charges, taxes, state or federal grants or other receipts) that are not derived from an undertaking or loan program for which such bonds are issued, as the governing body may determine, subject to the rights of the holders of any bonds then outstanding and the provisions of the ordinances or resolutions authorizing the outstanding bonds. 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 such receipts, for all of the principal of and interest on the bonds, or for such part hereof as the governing body may determine. Whenever such receipts to be pledged shall be under the management and control of a department or board of the county, no bonds shall be authorized under this chapter additionally secured by a pledge of such receipts, unless:

- (1) Such department or board shall have requested the issuance thereof by resolution; and



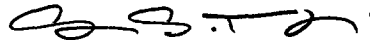
(2) The pledge of receipts has been consented to by the department or board by such resolution, which pledge may be made by the department or board in such resolution.

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

SECTION 2. New statutory material is underscored.

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

INTRODUCED BY:



By Request



# S.B. NO. 3035

**Report Title:**

General Obligation Bonds; City and County of Honolulu Package

**Description:**

Permits the pledging of receipts other than real property tax and revenues as defined by the state constitution.

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