

JAN 26 2022

A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS.

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

1 SECTION 1. Allowing the University of Hawaii to issue
2 revenue bonds helps to address the university's capital facility
3 needs. Construction of new projects and the renovation and
4 major repair of existing facilities have included, and will
5 continue to include, faculty and student housing; additional
6 classroom, laboratory, and office space; research facilities,
7 utility facilities, and other infrastructure requirements;
8 libraries; student support facilities; and athletic facilities.

9 The purpose of this Act is to authorize the University of
10 Hawaii to issue \$100,000,000 in revenue bonds to complete as
11 many of its priority capital facility construction, renovation,
12 modernization, and repair projects as possible.

13 SECTION 2. The board of regents of the University of
14 Hawaii, with the approval of the governor, is authorized to
15 issue revenue bonds from time to time to finance, in whole or in
16 part, the costs of construction or the costs of maintenance and
17 modernization, or both, of any university project, any
18 university system, any network or combination thereof, including

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1 reserves therefor as the board of regents may direct. The total
2 principal amount of the revenue bonds authorized by this Act
3 shall not exceed \$100,000,000; provided that neither revenue
4 bonds issued to refund revenue bonds heretofore issued, to the
5 extent that such refunding revenue bonds do not exceed the
6 principal amount of the revenue bonds being refunded, nor
7 revenue bonds of the board outstanding at the effective date of
8 this Act shall cause the amount of the above authorization to be
9 decreased. The revenue bonds shall be issued pursuant to the
10 provisions of part VI of chapter 304A, Hawaii Revised Statutes.
11 The principal and interest on the revenue bonds, to the extent
12 not paid from the proceeds of such bonds, shall be paid solely
13 from and secured solely by the revenue of the university as
14 defined in section 304A-2671, Hawaii Revised Statutes.

15 SECTION 3. There is appropriated out of the revenue bond
16 proceeds and interest earned thereon authorized by this Act the
17 sum of \$100,000,000 or so much thereof as may be necessary for
18 fiscal year 2022-2023 to carry out the purposes of section 2 of
19 this Act; provided that any unexpended and unencumbered balance
20 of the appropriation shall not lapse at the end of fiscal year
21 2022-2023 and shall lapse instead on June 30, 2026.

22 The sum appropriated shall be expended by the board of
23 regents of the University of Hawaii.

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1 SECTION 4. The University of Hawaii shall notify the
2 legislature upon issue of the revenue bonds authorized by
3 section 2 of this Act, including a detailed listing and
4 description of all projects to be funded through the revenue
5 bonds authorized by this Act.

6 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

S.B. NO. 3153

Report Title:

University of Hawaii; Authorization of Revenue Bonds

Description:

Authorizes the University of Hawaii to issue \$100,000,000 in revenue bonds for the purpose of financing the construction, maintenance, and modernization of qualifying capital improvement projects.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS.

PURPOSE: Authorizes the University of Hawaii to issue \$100,000,000 in revenue bonds for the purpose of financing the construction, maintenance, and modernization of qualifying capital improvement projects.

MEANS: Establish authorization in session laws.

JUSTIFICATION: Authorizing the University to issue revenue bonds is necessary to enable the University to continue addressing its capital facility needs, including new project construction, modernization, and the major repair and maintenance backlog.

Impact on the public: The enactment of the bill is expected to have minimal financial impact to the public since the University does not anticipate committing or dedicating any general tax receipts to the payment of the University's revenue bonds. It is not currently contemplated that "non-university" revenues would be requested to support the repayment of the University's revenue bonds. University revenues are income, receipts, revenue, and moneys received by the University or that it is entitled to receive from its ownership or operation and management of the University. The University's revenue bonds will be payable only from the revenue of the University as defined in section 304A-2671, Hawaii Revised Statutes.

Impact on the department and other agencies: The enactment of the bill will provide the University with the ability to obtain additional funding to help address its

capital facility needs, including new project construction, modernization, and the major repair and maintenance backlog. The Act will require continued budgetary diligence by the University. Other agencies of the State should not be adversely affected by the enactment.

GENERAL FUND: None.

OTHER FUNDS: University revenue bonds. There is no present expectation of requesting other moneys.

PPBS PROGRAM
DESIGNATION: UOH 100, UOH 110, UOH 115, UOH 210, UOH 700, UOH 800, UOH 900.

OTHER AFFECTED
AGENCIES: Office of the Governor, Department of Budget and Finance, and Department of Accounting and General Services.

EFFECTIVE DATE: Upon approval.