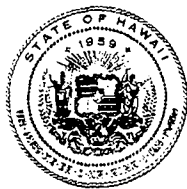


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1215

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

June 8, 2026

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on June 8, 2026, the following bill was signed into law:

H.B. NO. 2547, H.D. 1, S.D. 1,
C.D. 1

RELATING TO CORPORATE BONDS.
ACT 115

Mahalo,

Josh Green, M.D.
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO CORPORATE BONDS.

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

1 SECTION 1. The legislature finds that the state treasury
2 holds all state funds, and all funds that are in excess of
3 immediate needs are invested in securities authorized under
4 section 36-21, Hawaii Revised Statutes. According to a national
5 investment research company, investment grade corporate bonds
6 have current average yields of four to six per cent. The
7 legislature further finds that investment grade corporate bonds
8 are considered to carry a relatively low credit risk. Providing
9 more investment securities for the director of finance to
10 consider and invest in will help increase investment earnings
11 and make more resources available for state programs and to pay
12 down obligations.

13 Accordingly, the purpose of this Act is to authorize the
14 director of finance to invest certain state moneys in short-term
15 investment grade corporate bonds.

16 SECTION 2. Section 36-21, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:



1 "(a) The director of finance may invest any moneys of the
2 State which in the director's judgment are in excess of the
3 amounts necessary for meeting the immediate requirements of the
4 State and where in the director's judgment the action will not
5 impede or hamper the necessary financial operations of the State
6 in:

7 (1) Any bonds or interest-bearing notes or obligations:

8 (A) Of the State (including state director of
9 finance's warrant notes issued pursuant to
10 chapter 40);

11 (B) Of the United States;

12 (C) For which the faith and credit of the United
13 States are pledged for the payment of principal
14 and interest;

15 (2) Federal Farm Credit System notes and bonds;

16 (3) Federal Agricultural Mortgage Corporation notes and
17 bonds;

18 (4) Federal Home Loan Bank notes and bonds;

19 (5) Federal Home Loan Mortgage Corporation bonds;

20 (6) Federal National Mortgage Association notes and bonds;

21 (7) Tennessee Valley Authority notes and bonds;



- 1 (8) Securities of a mutual fund whose portfolio is limited
2 to bonds or securities issued or guaranteed by the
3 United States or an agency thereof or repurchase
4 agreements fully collateralized by any such bonds or
5 securities;
- 6 (9) Securities of a money market mutual fund that is rated
7 AAA, or its equivalent, by a nationally recognized
8 rating agency or whose portfolio consists of
9 securities that are rated as first tier securities by
10 a nationally recognized statistical rating
11 organization as provided in 17 Code of Federal
12 Regulations section 270.2a-7;
- 13 (10) Federally insured savings accounts;
- 14 (11) Time certificates of deposit;
- 15 (12) Certificates of deposit open account;
- 16 (13) Repurchase agreements with federally insured banks,
17 savings and loan associations, and financial services
18 loan companies;
- 19 (14) Commercial paper with an A1/P1 or equivalent rating by
20 any national securities rating service; [~~and~~]



1 (15) Bankers' acceptances with an A1/P1 or equivalent
2 rating by any national securities rating service; and
3 (16) Short-term investment grade corporate bonds with a
4 minimum rating of AA- or its equivalent;
5 provided that for authorized investments with stated maturity
6 dates, the investment, as well as the underlying securities of
7 those investments, are due to mature not more than five years
8 from the date of investment. Income derived from those
9 investments shall be a realization of the general fund; provided
10 that income earned from moneys invested by the general funds,
11 special funds, bond funds, and trust and agency funds on an
12 investment pool basis shall be paid into and credited to the
13 respective funds based on the contribution of moneys into the
14 investment pool by each fund. As used in this section,
15 "investment pool" means the aggregate of state treasury moneys
16 that are maintained in the custody of the director of finance
17 for investment and reinvestment without regard to fund
18 designation."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval.



H.B. NO. 2547
H.D. 1
S.D. 1
C.D. 1

APPROVED this 8th day of June , 2026



GOVERNOR OF THE STATE OF HAWAII

HB No. 2547, HD 1, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 6, 2026
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2026.



Nadine K. Nakamura
Speaker
House of Representatives





Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 6, 2026
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2026.


President of the Senate


Clerk of the Senate