
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:

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;



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 Statutory material to be repealed is bracketed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

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

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H.B. NO. 2547

INTRODUCED BY:

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JAN 28 2026



H.B. NO. 2547

Report Title:

Short-term Investment Grade Corporate Bonds; Director of Finance; State Moneys

Description:

Authorizes the Director of Finance to invest certain state moneys in short-term investment grade corporate bonds.

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