

JAN 28 2026

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## A BILL FOR AN ACT

RELATING TO TAX INCREMENT BONDS.

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

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

3 **"§47C-1 Definitions.** As used in sections 47C-1 through  
4 47C-6, the following words and terms shall have the following  
5 meanings or inclusions:

6 "Chairperson of the finance committee" shall mean the  
7 chairperson of the finance committee of the council of the  
8 county, or if the council of the county does not have a finance  
9 committee, the member of the council appointed by the council to  
10 perform the functions required by this chapter to be performed  
11 by the chairperson of the finance committee of the council.

12 "Corporation counsel" shall mean the chief legal advisor or  
13 legal representative of the county.

14 "County" shall include each county of the State, including  
15 the city and county of Honolulu.

16 "Director of finance" shall mean the director of finance of  
17 the county, or if the county does not have a director of



1 finance, the officer of the county in whom is vested the  
2 functions and powers of maintaining the treasury of the county  
3 and issuing and selling, paying interest on, and redeeming bonds  
4 of the county.

5 "Fiscal year" shall mean the fiscal year of the county as  
6 defined in section 46-41.

7 "Special assessment bonds" shall mean bonds issued under  
8 special improvement statutes when the only security for [such]  
9 special assessment bonds is the assessments or special taxes  
10 levied and assessed under those statutes or properties subject  
11 to the assessments or special taxes.

12 As used in sections 47C-1 through 47C-6, the words or terms  
13 "bonds", "general obligation bonds", "net revenue", "net user  
14 tax receipts", "reimbursable general obligation bonds", "revenue  
15 bonds", "special purpose revenue bonds", tax increment bonds,  
16 and "user tax" shall have the respective meanings and inclusions  
17 given to [such] those words and terms in section 12 of article  
18 VII of the constitution."

19 SECTION 2. Section 47C-2, Hawaii Revised Statutes, is  
20 amended to read as follows:



1       **"§47C-2 Determination of funded debt.** Within ninety days  
2       after the first day of each fiscal year, the director of finance  
3       of each county shall ascertain and set forth in a tabular  
4       summary the total indebtedness of the county outstanding and  
5       unpaid as of the first day of [such] that fiscal year. The  
6       summary shall include the following:

7       (1) An itemization of the total principal amount of all  
8           general obligation bonds, reimbursable general  
9           obligation bonds, revenue bonds, special assessment  
10          bonds, special purpose revenue bonds, and all other  
11          bonds of the county outstanding and unpaid, including  
12          bonds [which] that may be excluded under clauses 1, 2,  
13          3, 4, 5, 6, 8, [and] 9, and 10 of section 13 of  
14          article VII of the constitution when determining the  
15          funded debt of the county for the purposes of that  
16          section, together with a grand total of [such] the  
17          total principal amounts[.];

18       (2) The total principal amount of all bonds of the State  
19          required by clause (7) of section 13 of article VII of  
20          the constitution to be included when determining the



1 funded debt of the county for the purposes of that

2 section[-];

3 (3) A grand total of the total principal amounts set forth

4 in the summary pursuant to paragraphs (1) and (2)[-];

5 (4) An itemization of the total of the principal amount of

6 all general obligation bonds, reimbursable general

7 obligation bonds, revenue bonds, special assessment

8 bonds, and special purpose revenue bonds of the county

9 outstanding and unpaid ~~which~~ that may be excluded

10 under clauses 1, 2, 3, 4, 5, 6, 8, and 9 of section 13

11 of article VII of the constitution when determining

12 the total funded debt of the county for the purposes

13 of that section, together with a grand total of ~~such~~

14 the total principal amounts[-]; and

15 (5) The difference between the grand total principal

16 amount set forth in the summary pursuant to

17 paragraph (3) and the grand total principal amount set

18 forth in the summary pursuant to paragraph (4).

19 The director of finance shall also prepare and attach to

20 the tabular summary ~~such~~ supporting schedules as may be

21 required to set forth in detail the bonds included in the



1 itemizations required by paragraphs (1) and (4). [Such] The  
2 supporting schedules shall also set forth or make reference to  
3 the relevant statutory, charter, ordinance, or other legal  
4 provision, and the relevant figures of the tax increment as  
5 defined in section 46-102, assessment collections, revenues,  
6 user tax receipts, cost of operation, maintenance and repair,  
7 net revenues, net user tax receipts, reimbursements to the  
8 general fund, and other financial information, justifying the  
9 inclusion of [such] the bonds in the itemization required by  
10 paragraph (4). The director of finance shall indicate in the  
11 supporting schedules whether the financial findings and figures  
12 are based upon the records of the director's office or upon  
13 audited statements and reports, and if based upon the latter,  
14 shall identify in the schedules the audited reports and  
15 statements."

16 SECTION 3. Section 47C-3, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 **"§47C-3 Supplemental determination.** Whenever the county  
19 proposes to issue bonds, the director of finance shall prepare a  
20 supplemental summary of the indebtedness of the county setting  
21 forth therein [such] information and findings as of a date



1 within thirty days of the delivery of [such] the bonds as will  
2 bring up to date and make current the most recent summary  
3 prepared in accordance with the provisions of section 47C-2.  
4 The director of finance shall also prepare and attach to [such]  
5 the supplemental summary [such] supporting schedules as may be  
6 required to set forth in detail the variations and changes from  
7 the summary prepared in accordance with section 47C-2, including  
8 [such] legal and financial findings as will justify any changes  
9 in the itemizations set forth in [such] the previous summary  
10 pursuant to the requirements of paragraph (4) of section 47C-2.  
11 If all the bonds proposed to be issued may be excluded when  
12 determining the funded debt of the county for the purposes of  
13 section 13 of article VII of the constitution by reason of the  
14 provisions of clauses 2 [or] 4, or 10 of that section, the  
15 supplemental summary and supporting schedules may be limited to  
16 [such] those bonds and findings as are necessary to justify  
17 [such] the exclusion under [such] those clauses.

18 In the event proceeds of the bonds proposed to be issued  
19 are to be applied to the retirement in the then fiscal year of  
20 outstanding bonds, including notes issued in anticipation of the  
21 issuance of the bonds proposed to be issued, for the purpose of



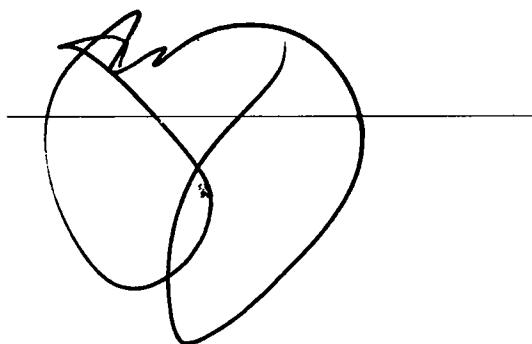
1 applying the provisions of clause 1 of section 13 of article VII  
2 of the constitution to the bonds to be retired, that amount of  
3 [such] proceeds to be so applied may be considered and treated  
4 as moneys irrevocably set aside for the payment of [such] those  
5 bonds."

6 SECTION 4. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect upon its approval  
9 and upon ratification of a constitutional amendment expressly  
10 providing that the legislature may authorize the counties to  
11 issue tax increment bonds and excluding tax increment bonds from  
12 determinations of the funded debt of the counties.

13

INTRODUCED BY:



# S.B. NO. 3270

**Report Title:**

Tax Increment Bonds; County Debt Limit Statements; Statutory Amendments

**Description:**

Conforms county debt limit statements law to permit counties to exclude tax increment bonds from the debt limit of the counties if a constitutional amendment authorizing the use of tax increment bonds and excluding tax increment bonds from determinations of the counties' funded debt is ratified.

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