

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



GOV. MSG. NO. 1131

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

May 22, 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 May 22, 2026, the following bill was signed into law:

S.B. NO. 3218, S.D. 2, H.D. 2,  
C.D. 1

RELATING TO BONDS.  
**ACT 031**

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D." in a cursive style.

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

Approved by the Governor

on MAY 22 2026

THE SENATE  
THIRTY-THIRD LEGISLATURE, 2026  
STATE OF HAWAII

**ACT 031**  
**S.B. NO.** 3218  
S.D. 2  
H.D. 2  
C.D. 1

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# A BILL FOR AN ACT

RELATING TO BONDS.

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

1 PART I

2 SECTION 1. Section 46-102, Hawaii Revised Statutes, is  
3 amended as follows:

4 1. By adding two new definitions to be appropriately  
5 inserted and to read:

6 "Resilient infrastructure for shelter and equity bonds"  
7 has the same meaning as in article VII, section 12, of the  
8 Hawaii State Constitution that are issued pursuant to this part.

9 "Transit-oriented development zone" means:

10 (1) For a county with a population of five hundred  
11 thousand or more:

12 (A) A transit-oriented development infrastructure  
13 improvement program area pursuant to section  
14 206E-243;

15 (B) A transit-oriented development special district  
16 established by county ordinance; or



1           (C) An area within a one-half-mile radius of a public  
2           transit center or bus hub, as designated by the  
3           county; or

4           (2) For a county with a population of less than five  
5           hundred thousand:

6           (A) A county-designated transit area;

7           (B) An area situated along major bus routes; or

8           (C) An area within a one-half-mile radius of a bus  
9           stop, as designated by the respective county."

10           2. By amending the definitions of "adjustment rate",  
11 "assessment base", and "assessment increment" to read:

12           ""Adjustment rate" means a percentage rate or rates of  
13 adjustment of the assessment base determined by the director of  
14 finance at the time the [~~tax increment~~] resilient infrastructure  
15 for shelter and equity district is established, based on the  
16 historical and projected increases to the assessed values of  
17 taxable real property within the boundary of the [~~tax increment~~]  
18 resilient infrastructure for shelter and equity district and the  
19 projected cost increases to the county for servicing the new  
20 developments within the [~~tax increment~~] resilient infrastructure  
21 for shelter and equity district.



1 "Assessment base" means the total assessed values of all  
2 taxable real property in a [~~tax increment~~] resilient  
3 infrastructure for shelter and equity district as most recently  
4 certified by the director of finance on the date of creation of  
5 the [~~tax increment~~] resilient infrastructure for shelter and  
6 equity district.

7 "Assessment increment" means the amount by which the  
8 current assessed values of taxable real property located within  
9 the boundaries of a [~~tax increment~~] resilient infrastructure for  
10 shelter and equity district exceeds its assessment base."

11 3. By amending the definitions of "council" and "county"  
12 to read:

13 ""Council" means the council of the county in which a [~~tax~~  
14 ~~increment~~] resilient infrastructure for shelter and equity  
15 district is situated.

16 "County" has the same meaning as [~~set forth~~] in  
17 section 1-22 and means the county in which a [~~tax increment~~]  
18 resilient infrastructure for shelter and equity district is  
19 situated."

20 4. By amending the definition of "project costs" to read:



1            ""Project costs" means expenditures made or estimated to be  
2 made or monetary obligations incurred or estimated to be  
3 incurred by the agency that are listed in a [~~tax increment~~]  
4 resilient infrastructure for shelter and equity financing plan  
5 as costs of public works or public improvements in a [~~tax~~  
6 ~~increment~~] resilient infrastructure for shelter and equity  
7 district, plus other costs incidental to the expenditures or  
8 obligations. Project costs include:

- 9            (1) Capital costs, including the actual costs of the  
10            construction of public works or public improvements,  
11            new buildings, structures, and fixtures; the actual  
12            costs of the demolition, alteration, remodeling,  
13            repair, or reconstruction of existing buildings,  
14            structures, and fixtures; and the actual costs of the  
15            acquisition, clearing, and grading of land;
- 16            (2) Financing costs, including [~~but not limited to,~~] all  
17            necessary and incidental expenses related to the  
18            issuance of [~~tax increment~~] resilient infrastructure  
19            for shelter and equity bonds and all interest paid to  
20            holders of evidences of indebtedness or other  
21            obligations issued to pay for project costs, any



- 1 capitalized interest, the funding or replenishment of  
2 any reserves securing the payment of the resilient  
3 infrastructure for shelter and equity bonds, and any  
4 premium paid over the principal amount of the  
5 obligations because of the redemption of the  
6 obligations prior to maturity;
- 7 (3) Professional service costs, including architectural,  
8 planning, engineering, marketing, appraisal, financial  
9 consultant, and special services and legal advice;
- 10 (4) Imputed administrative costs, including reasonable  
11 charges for the time spent by employees of the agency  
12 in connection with the implementation of a [~~tax~~  
13 ~~increment~~] resilient infrastructure for shelter and  
14 equity financing plan;
- 15 (5) Relocation costs to the extent required by federal or  
16 state law;
- 17 (6) Organizational costs, including the costs of  
18 conducting environmental impact studies or other  
19 studies, the costs of publicizing the creation of a  
20 [~~tax increment~~] resilient infrastructure for shelter  
21 and equity district, and the cost of implementing the



1           ~~[tax increment]~~ resilient infrastructure for shelter  
2           and equity financing plan for the ~~[tax increment]~~  
3           resilient infrastructure for shelter and equity  
4           district; and

5           (7) Payments determined by the county council to be  
6           necessary or convenient to the creation of a ~~[tax~~  
7           ~~increment]~~ resilient infrastructure for shelter and  
8           equity district or to the implementation of the ~~[tax~~  
9           ~~increment]~~ resilient infrastructure for shelter and  
10           equity financing plan for the ~~[tax increment]~~  
11           resilient infrastructure for shelter and equity  
12           district."

13           5. By amending the definitions of "tax increment  
14           district", "tax increment financing plan", and "tax increment  
15           fund" to read:

16           "~~[Tax increment]~~ "Resilient infrastructure for shelter and  
17           equity district" or "district" means a contiguous or  
18           noncontiguous geographic area designated pursuant to section  
19           46-103 by the county council for the purpose of ~~[tax increment]~~  
20           resilient infrastructure for shelter and equity financing[-]



1 provided that the district shall be located entirely within a  
2 transit-oriented development zone.

3 [~~tax increment~~] "Resilient infrastructure for shelter and  
4 equity financing plan" means the plan for [~~tax increment~~]  
5 resilient infrastructure for shelter and equity financing for a  
6 [~~tax increment~~] resilient infrastructure for shelter and equity  
7 district submitted to the county council. The [~~tax increment~~]  
8 resilient infrastructure for shelter and equity financing plan  
9 shall contain estimates of: [~~project~~]

- 10 (1) Project costs; [~~amount~~]
- 11 (2) The amount of [~~tax increment~~] resilient infrastructure  
12 for shelter and equity bonds to be issued; [~~sources~~]
- 13 (3) Sources of revenue to finance or otherwise pay project  
14 costs; [~~the~~]
- 15 (4) The most recent assessed value of taxable real  
16 property in the district; [~~the~~]
- 17 (5) The duration of the district's existence; and  
18 [~~statements~~]
- 19 (6) Statements from the county's department of finance,  
20 and the county's department of budget, if applicable,  
21 regarding the financial and budgetary impacts on the



1 county resulting from the proposed [~~tax increment~~]  
2 resilient infrastructure for shelter and equity  
3 financing plan.

4 [~~"Tax increment~~] "Resilient infrastructure for shelter and  
5 equity fund" means a fund [~~which shall be~~] held by the director  
6 of finance or other fiduciary designated by the county council  
7 and into which all tax increments and other moneys pledged by  
8 the county for payment of [~~tax increment~~] resilient  
9 infrastructure for shelter and equity bonds are paid, and all  
10 proceeds from the sale of [~~tax increment~~] resilient  
11 infrastructure for shelter and equity bonds are deposited, and  
12 from which moneys are disbursed to pay project costs for the  
13 [~~tax increment~~] resilient infrastructure for shelter and equity  
14 district or to satisfy claims of holders of [~~tax increment~~]  
15 resilient infrastructure for shelter and equity bonds issued for  
16 the district."

17 6. By repealing the definition of "tax increment bonds".

18 [~~"Tax increment bonds" mean bonds, notes, interim~~  
19 ~~certificates, debentures, or other obligations issued pursuant~~  
20 ~~to this part."~~]



1 SECTION 2. Section 46-104, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§46-104 County powers.** A county may exercise any power  
4 necessary and convenient to establish [~~tax increment~~] resilient  
5 infrastructure for shelter and equity districts, including the  
6 power to:

7 (1) Create [~~tax increment~~] resilient infrastructure for  
8 shelter and equity districts within a transit-oriented  
9 development zone and determine the boundaries of the  
10 districts; provided that the county shall not  
11 establish the district unless the county council first  
12 adopts a resolution that contains detailed findings of  
13 facts demonstrating that the financing of the proposed  
14 public works or public improvements through a  
15 community facilities district pursuant to section  
16 46-80.1, or the Hawaii community development authority  
17 transit-oriented development infrastructure  
18 improvement district program has been utilized to the  
19 maximum feasible extent, or that the financing is  
20 legally or financially infeasible, thereby exhausting  
21 those options before or in conjunction with, the



1           issuance of resilient infrastructure for shelter and  
2           equity bonds; provided further that for purposes of  
3           this paragraph, financial infeasibility is strictly  
4           limited to circumstances in which the county council  
5           finds, based on independent financial analysis, that  
6           the imposition of community facilities district  
7           assessments or special taxes would:

8           (A) Render housing units unaffordable to the specific  
9           income groups the project is intended to serve;

10          (B) Violate or conflict with affordability covenants,  
11          federal or state housing program requirements, or  
12          rent restrictions applicable to the project; or

13          (C) Cause the project to fail to meet standard  
14          industry thresholds for debt service coverage or  
15          financial feasibility, thereby preventing the  
16          project from proceeding;

17          provided further that no district shall include any  
18          land classified as an agricultural district pursuant  
19          to chapter 205;

20          (2) Issue ~~[tax increment]~~ resilient infrastructure for  
21          shelter and equity bonds;



1 (3) Deposit tax increments into the [~~tax increment~~]  
2 resilient infrastructure for shelter and equity fund  
3 created for a [~~tax increment~~] resilient infrastructure  
4 for shelter and equity district; and

5 (4) Enter into agreements, including agreements with [~~the~~]  
6 any redevelopment agency and owners or developers of  
7 project lands and bondholders, determined to be  
8 necessary or convenient to implement redevelopment  
9 plans or community development plans, as the case may  
10 be, and achieve their purposes."

11 SECTION 3. Section 46-105, Hawaii Revised Statutes, is  
12 amended by amending subsection (b) to read as follows:

13 "(b) If a county exercises the power allowed under this  
14 part, then commencing with the first payment of real property  
15 taxes levied by the county subsequent to the time a [~~tax~~  
16 ~~increment~~] district takes effect, receipts from real property  
17 taxes shall be allocated and paid over as follows:

18 (1) The amount of real property tax produced from the  
19 assessment base shall be paid to the county general  
20 fund; and



- 1           (2) The tax increments produced from the assessment  
2           increment in the [~~tax increment~~] resilient  
3           infrastructure for shelter and equity district shall  
4           be applied as follows:
- 5           (A) First, an amount equal to the installment of (i)  
6           principal and interest falling due of any [~~tax~~  
7           ~~increment~~] resilient infrastructure for shelter  
8           and equity bonds, or (ii) any project cost  
9           approved by the county, shall be deposited into  
10          the [~~tax increment~~] resilient infrastructure for  
11          shelter and equity fund established for the [~~tax~~  
12          ~~increment~~] resilient infrastructure for shelter  
13          and equity district[-];
- 14          (B) Second, an amount equal to the adjustment rate  
15          times the amount of real property tax produced  
16          from the assessment base shall be computed and  
17          paid to the county general fund[-]; and
- 18          (C) Third, the remaining amount of tax increments, if  
19          any, shall be deposited into the [~~tax increment~~]  
20          resilient infrastructure for shelter and equity  
21          fund established for the [~~tax increment~~]



1                   resilient infrastructure for shelter and equity  
2                   district."

3           SECTION 4. Section 46-106, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "**S46-106** [~~tax increment~~] **Resilient infrastructure for**  
6 **shelter and equity bonds.** (a) A county may issue [~~tax~~  
7 ~~increment~~] resilient infrastructure for shelter and equity  
8 bonds, the proceeds of which may be used to pay project costs  
9 for a [~~tax increment~~] resilient infrastructure for shelter and  
10 equity district or to satisfy claims of bondholders. The county  
11 may issue refunding bonds [~~previously issued by the county~~] for  
12 the purpose of paying or retiring resilient infrastructure for  
13 shelter and equity bonds previously issued by the county, or in  
14 exchange for [~~tax increment~~] resilient infrastructure for  
15 shelter and equity bonds previously issued by the county.  
16 Principal and interest on [~~tax increment~~] resilient  
17 infrastructure for shelter and equity bonds shall be made  
18 payable, as to both principal and interest, solely from the [~~tax~~  
19 ~~increment~~] resilient infrastructure for shelter and equity fund  
20 established for the [~~tax increment~~] resilient infrastructure for  
21 shelter and equity district.



1 A county may provide in its contract with the owners or  
2 holders of the [~~tax increment~~] resilient infrastructure for  
3 shelter and equity bonds that the county will pay into the [~~tax~~  
4 ~~increment~~] resilient infrastructure for shelter and equity fund  
5 all or any part of the revenue or money produced or received as  
6 a result of the operation or sale of a facility acquired,  
7 improved, or constructed pursuant to a redevelopment plan or  
8 community development plan, as the case may be, to be used to  
9 pay principal and interest on the [~~tax increment~~] resilient  
10 infrastructure for shelter and equity bonds and, if a county so  
11 agrees, the owners or holders of the [~~tax increment~~] resilient  
12 infrastructure for shelter and equity bonds may have a lien or  
13 mortgage on any facility acquired, improved, or constructed with  
14 the proceeds of the [~~tax increment~~] resilient infrastructure for  
15 shelter and equity bonds.

16 (b) [~~Tax increment~~] Resilient infrastructure for shelter  
17 and equity bonds, and the income therefrom, issued pursuant to  
18 this part shall be exempt from all state and county taxation,  
19 except estate and transfer taxes.

20 The bonds shall be authorized by ordinance and may be  
21 issued in one or more series. The [~~tax increment~~] resilient

1 infrastructure for shelter and equity bonds of each issue shall  
2 be dated, be payable upon demand or mature at a time or times  
3 not exceeding thirty years from their date of issuance, bear  
4 interest at a rate or rates, be in a denomination or  
5 denominations, be in registered form, have a rank or priority,  
6 be executed in a manner, be payable in a medium of payment at a  
7 place or places, and be subject to terms of redemption (with or  
8 without premium), be secured in a manner, and have other  
9 characteristics as may be provided by the ordinance providing  
10 for issuance of the bonds or by the trust indenture or mortgage  
11 issued in connection with the bonds. The county may sell [~~tax~~  
12 ~~increment~~] resilient infrastructure for shelter and equity bonds  
13 in such manner, either at public or private sale, and for such  
14 price as it may determine.

15 (c) Prior to the preparation of definitive [~~tax increment~~]  
16 resilient infrastructure for shelter and equity bonds, the  
17 county may issue interim receipts or temporary bonds  
18 exchangeable for definitive bonds when such bonds have been  
19 executed and are available for delivery.

20 (d) Should any bond issued under this part become  
21 mutilated or be lost, stolen, or destroyed, the county may cause



1 a new bond of like date, number, and tenor to be executed and  
2 delivered in exchange and substitution for, and upon the  
3 cancellation of such mutilated bond, or in lieu of and in  
4 substitution for such lost, stolen, or destroyed bond. Such new  
5 bond shall not be executed or delivered until the holder of the  
6 mutilated, lost, stolen, or destroyed bond:

7 (1) Has paid reasonable expenses and charges in connection  
8 therewith;

9 (2) In the case of a lost, stolen, or destroyed bond, has  
10 filed with the county or its fiduciary satisfactory  
11 evidence that such bond was lost, stolen, or  
12 destroyed, and that the holder was owner thereof; and

13 (3) Has furnished indemnity satisfactory to the county.

14 (e) Notwithstanding any of the provisions of this part or  
15 any recital in any [~~tax increment~~] resilient infrastructure for  
16 shelter and equity bond issued under this part, all [~~tax~~  
17 ~~increment~~] resilient infrastructure for shelter and equity bonds  
18 shall be deemed to be investment securities under the Uniform  
19 Commercial Code, chapter 490, subject only to the provisions  
20 pertaining to registration.



1 (f) In any suit, action, or other proceeding involving the  
2 validity or enforceability of a bond issued under this part or  
3 the security for a bond or note issued under this part, a bond  
4 reciting in substance that it had been issued by the county for  
5 a [~~tax increment~~] resilient infrastructure for shelter and  
6 equity district shall be conclusively deemed to have been issued  
7 for that purpose, and the development or redevelopment of the  
8 district conclusively shall be deemed to have been planned,  
9 located, and carried out as provided by this part.

10 (g) All banks, trust companies, savings banks and  
11 institutions, building and loan associations, savings and loan  
12 associations, investment companies, and other persons carrying  
13 on a banking or investment business; all insurance companies,  
14 insurance associations, and other persons carrying on an  
15 insurance business; and all personal representatives,  
16 administrators, curators, trustees, and other fiduciaries  
17 legally may invest sinking funds, money, or other funds  
18 belonging to them or within their control in [~~tax increment~~]  
19 resilient infrastructure for shelter and equity bonds issued by  
20 a county pursuant to this part. The bonds shall be authorized  
21 security for all public deposits. Any person, political



1 subdivision, and officer, public or private, are authorized to  
2 use funds owned or controlled by them for the purchase of [~~tax~~  
3 ~~increment~~] resilient infrastructure for shelter and equity  
4 bonds. This part does not relieve any person of the duty to  
5 exercise reasonable care in selecting securities.

6 (h) [~~Tax increment~~] Resilient infrastructure for shelter  
7 and equity bonds shall be payable only out of the [~~tax~~  
8 ~~increment~~] resilient infrastructure for shelter and equity fund.  
9 The county council may pledge irrevocably all or a part of the  
10 fund for payment of the bonds. The part of the fund pledged in  
11 payment thereafter shall be used only for the payment of the  
12 bonds or interest or redemption premium, if any, on the bonds  
13 until the bonds have been fully paid. A holder of the bonds  
14 shall have a lien against the fund for payment of the bonds and  
15 interest thereon and may either at law or in equity protect and  
16 enforce such lien.

17 (i) No officer of the county, including any officer  
18 executing [~~tax increment~~] resilient infrastructure for shelter  
19 and equity bonds, shall be liable for the [~~tax increment~~]  
20 resilient infrastructure for shelter and equity bonds by reason  
21 of the issuance thereof. [~~Tax increment~~] Resilient



1 infrastructure for shelter and equity bonds issued under this  
2 part shall not be general obligations of the State or county,  
3 nor in any event shall they give rise to a charge against the  
4 general credit or taxing powers of the State or county or be  
5 payable other than as provided by this part. No holder of bonds  
6 issued under this part shall have the right to compel any  
7 exercise of the taxing power of the State or county to pay such  
8 bonds or the interest thereon, and no moneys other than the  
9 moneys in the [~~tax increment~~] resilient infrastructure for  
10 shelter and equity fund pledged to the bonds shall be applied to  
11 the payment thereof. [~~Tax increment~~] Resilient infrastructure  
12 for shelter and equity bonds issued under this part shall state  
13 these restrictions on their face.

14 (j) The [~~tax increment~~] resilient infrastructure for  
15 shelter and equity bonds bearing the signature or facsimile  
16 signature of officers in office on the date of the signing  
17 thereof shall be valid and sufficient for all purposes,  
18 notwithstanding that before [~~the~~] delivery [~~thereof~~] and payment  
19 [~~therefor~~], any or all persons whose signatures appear thereon  
20 shall have ceased to be officers of the county.



1           (k) [~~Tax increment~~] Resilient infrastructure for shelter  
2 and equity bonds shall not be issued in an amount exceeding the  
3 total costs of implementing the [~~tax increment~~] resilient  
4 infrastructure for shelter and equity financing plan for which  
5 they were issued."

6           SECTION 5. Section 46-110, Hawaii Revised Statutes, is  
7 amended to read as follows:

8           "**S46-110 [~~Tax increment~~] Resilient infrastructure for**  
9 **shelter and equity fund.** (a) Money shall be disbursed from the  
10 [~~tax increment~~] resilient infrastructure for shelter and equity  
11 fund for a [~~tax increment~~] resilient infrastructure for shelter  
12 and equity district only to satisfy the claims of holders of  
13 [~~tax increment~~] resilient infrastructure for shelter and equity  
14 bonds issued for the [~~tax increment~~] resilient infrastructure  
15 for shelter and equity district or to pay project costs for the  
16 district, or to make payments to the county as provided by  
17 subsection (c).

18           (b) Subject to an agreement with the holders of [~~tax~~  
19 ~~increment~~] resilient infrastructure for shelter and equity  
20 bonds, money in a [~~tax increment~~] resilient infrastructure for



1 shelter and equity fund may be temporarily invested in the same  
2 manner as other funds of the county.

3 (c) In any year in which the tax increment exceeds the  
4 amount necessary to pay all project costs [~~and~~], all  
5 installments of principal and interest of [~~tax increment~~]  
6 resilient infrastructure for shelter and equity bonds issued for  
7 a [~~tax increment~~] resilient infrastructure for shelter and  
8 equity district falling due, the funding or replenishment of any  
9 reserves securing the payment of any resilient infrastructure  
10 for shelter and equity bonds, and the amount paid to the county  
11 general fund pursuant to section 46-105(b)(2)(B), and subject to  
12 any agreement with bondholders, any excess money in the fund at  
13 the option of the county council, shall be used to redeem or  
14 purchase any outstanding [~~tax increment~~] resilient  
15 infrastructure for shelter and equity bonds issued for the  
16 district, discharge the pledge of tax increment therefor, be  
17 paid into an escrow account dedicated to the payment of [~~such~~]  
18 the bonds, be paid over to the county general fund, or any  
19 combination thereof."

20 SECTION 6. Sections 46-101, 46-103, 46-107, 46-108,  
21 46-109, 46-111, and 46-112, Hawaii Revised Statutes, are amended



1 by substituting the term "resilient infrastructure for shelter  
2 and equity", or similar term, wherever the term "tax increment",  
3 or similar term, appears as the context requires.

4 PART II

5 SECTION 7. Section 47C-1, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "**§47C-1 Definitions.** As used in sections 47C-1 through  
8 47C-6, the following words and terms shall have the following  
9 meanings or inclusions:

10 "Chairperson of the finance committee" [~~shall mean~~] means  
11 the chairperson of the finance committee of the council of the  
12 county, or if the council of the county does not have a finance  
13 committee, the member of the council appointed by the council to  
14 perform the functions required by this chapter to be performed  
15 by the chairperson of the finance committee of the council.

16 "Corporation counsel" [~~shall mean~~] means the chief legal  
17 advisor or legal representative of the county.

18 "County" [~~shall include~~] includes each county of the State,  
19 including the city and county of Honolulu.

20 "Director of finance" [~~shall mean~~] means the director of  
21 finance of the county, or if the county does not have a director



1 of 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~~] means the fiscal year of the  
6 county as defined in section 46-41.

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

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



1 SECTION 8. Section 47C-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

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

- 9 (1) An itemization of the total principal amount of all
- 10 general obligation bonds, reimbursable general
- 11 obligation bonds, revenue bonds, special assessment
- 12 bonds, special purpose revenue bonds, resilient
- 13 infrastructure for shelter and equity bonds, and all
- 14 other bonds of the county outstanding and unpaid,
- 15 including bonds [~~which~~] that may be excluded under
- 16 clauses 1, 2, 3, 4, 5, 6, 8, [~~and~~] 9, and 10 of
- 17 [~~section 13 of article VII of the constitution~~]
- 18 article VII, section 13, of the Hawaii State
- 19 Constitution when determining the funded debt of the
- 20 county for the purposes of that section together with



- 1 a grand total of ~~[such]~~ the total principal  
2 amounts~~[-]~~;
- 3 (2) The total principal amount of all bonds of the State  
4 required by clause ~~[+7)]~~ 7 of ~~[section 13 of article~~  
5 ~~VII of the constitution]~~ article VII, section 13, of  
6 the Hawaii State Constitution to be included when  
7 determining the funded debt of the county for the  
8 purposes of that section~~[-]~~;
- 9 (3) A grand total of the total principal amounts set forth  
10 in the summary pursuant to paragraphs (1) and (2)~~[-]~~;
- 11 (4) An itemization of the total of the principal amount of  
12 all general obligation bonds, reimbursable general  
13 obligation bonds, revenue bonds, special assessment  
14 bonds, ~~[and]~~ special purpose revenue bonds, and  
15 resilient infrastructure for shelter and equity bonds  
16 of the county outstanding and unpaid ~~[which]~~ that may  
17 be excluded under clauses 1, 2, 3, 4, 5, 6, 8, ~~[and]~~  
18 9, and 10 of ~~[section 13 of article VII of the~~  
19 ~~constitution]~~ article VII, section 13, of the Hawaii  
20 State Constitution when determining the total funded  
21 debt of the county for the purposes of that section,



1 together with a grand total of [~~such~~] the total  
2 principal amounts[~~-~~]; and

3 (5) The difference between the grand total principal  
4 amount set forth in the summary pursuant to  
5 paragraph (3) and the grand total principal amount set  
6 forth in the summary pursuant to paragraph (4).

7 The director of finance shall also prepare and attach to  
8 the tabular summary [~~such~~] the supporting schedules as may be  
9 required to set forth in detail the bonds included in the  
10 itemizations required by paragraphs (1) and (4). [~~Such~~] The  
11 supporting schedules shall also set forth or make reference to  
12 the relevant statutory, charter, ordinance, or other legal  
13 provision, and the relevant figures of assessment collections,  
14 revenues, user tax receipts, cost of operation, maintenance and  
15 repair, net revenues, net user tax receipts, reimbursements to  
16 the general fund, and other financial information, justifying  
17 the inclusion of [~~such~~] the bonds in the itemization required by  
18 paragraph (4). The director of finance shall indicate in the  
19 supporting schedules whether the financial findings and figures  
20 are based upon the records of the director's office or upon  
21 audited statements and reports, and if based upon the latter,



1 shall identify in the schedules the audited reports and  
2 statements."

3 SECTION 9. Section 47C-3, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "~~S~~47C-3 **Supplemental determination.** Whenever the county  
6 proposes to issue bonds, the director of finance shall prepare a  
7 supplemental summary of the indebtedness of the county setting  
8 forth [~~therein such~~] the information and findings as of a date  
9 within thirty days of the delivery of [~~such~~] the bonds as will  
10 bring up to date and make current the most recent summary  
11 prepared in accordance with the provisions of section 47C-2.  
12 The director of finance shall also prepare and attach to [~~such~~]  
13 the supplemental summary [~~such~~] the supporting schedules [~~as~~]  
14 that may be required to set forth in detail the variations and  
15 changes from the summary prepared in accordance with  
16 section 47C-2, including [~~such~~] the legal and financial findings  
17 [~~as~~] that will justify any changes in the itemizations set forth  
18 in [~~such~~] the previous summary pursuant to the requirements of  
19 [~~paragraph (4) of section 47C-2.~~] section 47C-2(4). If all the  
20 bonds proposed to be issued may be excluded when determining the  
21 funded debt of the county for the purposes of [~~section 13 of~~





1 providing that the legislature may authorize the counties to  
2 issue resilient infrastructure for shelter and equity bonds and  
3 excluding resilient infrastructure for shelter and equity bonds  
4 from determinations of the funded debt of the counties.



S.B. NO. 3218  
S.D. 2  
H.D. 2  
C.D. 1

APPROVED this 22nd day of May, 2026


A handwritten signature in black ink, appearing to read "Josh Green". The signature is written in a cursive style with a large initial "J".


GOVERNOR OF THE STATE OF HAWAII

**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

SB No. 3218, SD 2, HD 2, 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