
A BILL FOR AN ACT

RELATING TO BONDS.

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

1 SECTION 1. Chapter 46, Hawaii Revised Statutes, is amended
2 by adding a new section to be appropriately designated and to
3 read as follows:

4 **"§46- Housing infrastructure growth bonds; authorized.**
5 Each county may implement housing infrastructure growth bonds
6 pursuant to section 12 of article VII of the state
7 constitution."

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

10 **"§47C-1 Definitions.** As used in sections 47C-1 through
11 47C-6, the following words and terms shall have the following
12 meanings or inclusions:

13 "Chairperson of the finance committee" shall mean the
14 chairperson of the finance committee of the council of the
15 county, or if the council of the county does not have a finance
16 committee, the member of the council appointed by the council to



1 perform the functions required by this chapter to be performed
2 by the chairperson of the finance committee of the council.

3 "Corporation counsel" shall mean the chief legal advisor or
4 legal representative of the county.

5 "County" shall include each county of the State, including
6 the city and county of Honolulu.

7 "Director of finance" shall mean the director of finance of
8 the county, or if the county does not have a director of
9 finance, the officer of the county in whom is vested the
10 functions and powers of maintaining the treasury of the county
11 and issuing and selling, paying interest on, and redeeming bonds
12 of the county.

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

15 "Special assessment bonds" shall mean bonds issued under
16 special improvement statutes when the only security for [such]
17 the bonds is the assessments or special taxes levied and
18 assessed under those statutes or properties subject to the
19 assessments or special taxes.

20 As used in sections 47C-1 through 47C-6, the words or terms
21 "bonds", "general obligation bonds", "housing infrastructure



1 growth bonds", "net revenue", "net user tax receipts",
2 "reimbursable general obligation bonds", "revenue bonds",
3 "special purpose revenue bonds", and "user tax" shall have the
4 respective meanings and inclusions given to [such] those words
5 and terms in section 12 of article VII of the constitution."

6 SECTION 3. Section 47C-2, Hawaii Revised Statutes, is
7 amended to read as follows:

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

14 (1) An itemization of the total principal amount of all
15 general obligation bonds, reimbursable general
16 obligation bonds, revenue bonds, special assessment
17 bonds, special purpose revenue bonds, housing
18 infrastructure growth bonds, and all other bonds of
19 the county outstanding and unpaid, including bonds
20 [which] that may be excluded under clauses 1, 2, 3, 4,
21 5, 6, 8, [and] 9, and 10 of section 13 of article VII



1 of the constitution when determining the funded debt
2 of the county for the purposes of that section
3 together with a grand total of such total principal
4 amounts[.];

5 (2) The total principal amount of all bonds of the State
6 required by clause (7) of section 13 of article VII of
7 the constitution to be included when determining the
8 funded debt of the county for the purposes of that
9 section[.];

10 (3) A grand total of the total principal amounts set forth
11 in the summary pursuant to paragraphs (1) and (2)[.];

12 (4) An itemization of the total of the principal amount of
13 all general obligation bonds, reimbursable general
14 obligation bonds, revenue bonds, special assessment
15 bonds, [and] special purpose revenue bonds, and
16 housing infrastructure growth bonds of the county
17 outstanding and unpaid [which] that may be excluded
18 under clauses 1, 2, 3, 4, 5, 6, 8, [and] 9, and 10 of
19 section 13 of article VII of the constitution when
20 determining the total funded debt of the county for



1 the purposes of that section, together with a grand
2 total of such total principal amounts[.]; and
3 (5) The difference between the grand total principal
4 amount set forth in the summary pursuant to paragraph
5 (3) and the grand total principal amount set forth in
6 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 4. Section 47C-3, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§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 section
16 47C-2, including [such] the legal and financial findings [as]
17 that will justify any changes in the itemizations set forth in
18 [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 article VII of the constitution by reason of the provisions of
2 clauses 2 or, 4, or 10 of that section, the supplemental
3 summary and supporting schedules may be limited to [~~such~~] those
4 bonds and findings as are necessary to justify [~~such~~] the
5 exclusion under [~~such~~] those clauses.

6 In the event proceeds of the bonds proposed to be issued
7 are to be applied to the retirement in the then fiscal year of
8 outstanding bonds, including notes issued in anticipation of the
9 issuance of the bonds proposed to be issued, for the purpose of
10 applying the provisions of clause 1 of section 13 of article VII
11 of the constitution to the bonds to be retired, that amount of
12 [~~such~~] the proceeds to be [~~so~~] applied may be considered and
13 treated as moneys irrevocably set aside for the payment of
14 [~~such~~] the bonds."

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 3000, and
18 upon ratification of a constitutional amendment expressly
19 providing that the legislature may authorize the counties to
20 issue housing infrastructure growth bonds and excluding housing



- 1** infrastructure growth bonds from determinations of the funded
- 2** debt of the counties.



Report Title:

Housing Infrastructure Growth Bonds; Counties; County Debt Limit Statements

Description:

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

Effective 7/1/3000. (HD1)

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