
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 a new definition to be appropriately inserted
5 and to read:

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

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

11 ""Adjustment rate" means a percentage rate or rates of
12 adjustment of the assessment base determined by the director of
13 finance at the time the [~~tax increment~~] housing infrastructure
14 growth district is established, based on the historical and
15 projected increases to the assessed values of taxable real
16 property within the boundary of the [~~tax increment~~] housing
17 infrastructure growth district and the projected cost increases



1 to the county for servicing the new developments within the [~~tax~~
2 ~~increment~~] housing infrastructure growth district."

3 "Assessment base" means the total assessed values of all
4 taxable real property in a [~~tax-increment~~] housing
5 infrastructure growth district as most recently certified by the
6 director of finance on the date of creation of the [~~tax~~
7 ~~increment~~] housing infrastructure growth district.

8 "Assessment increment" means the amount by which the
9 current assessed values of taxable real property located within
10 the boundaries of a [~~tax-increment~~] housing infrastructure
11 growth district exceeds its assessment base."

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

14 ""Council" means the council of the county in which a [~~tax~~
15 ~~increment~~] housing infrastructure growth district is situated.

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

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

20 ""Project costs" means expenditures made or estimated to be
21 made or monetary obligations incurred or estimated to be



1 incurred by the agency that are listed in a [~~tax-increment~~]
2 housing infrastructure growth financing plan as costs of public
3 works or public improvements in a [~~tax-increment~~] housing
4 infrastructure growth district, plus other costs incidental to
5 the expenditures or obligations. Project costs include:

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



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



1 (7) Payments determined by the county council to be
2 necessary or convenient to the creation of a [~~tax~~
3 ~~increment~~] housing infrastructure growth district or
4 to the implementation of the [~~tax-increment~~] housing
5 infrastructure growth financing plan for the [~~tax~~
6 ~~increment~~] housing infrastructure growth district."

7 5. By amending the definitions of "tax increment
8 district", "tax increment financing plan", and "tax increment
9 fund" to read:

10 ["~~Tax increment~~] "Housing infrastructure growth district"
11 or "district" means a contiguous or noncontiguous geographic
12 area designated pursuant to section 46-103 by the county council
13 for the purpose of [~~tax-increment~~] housing infrastructure growth
14 financing.

15 ["~~Tax increment~~] "Housing infrastructure growth financing
16 plan" means the plan for [~~tax-increment~~] housing infrastructure
17 growth financing for a [~~tax-increment~~] housing infrastructure
18 growth district submitted to the county council. The [~~tax~~
19 ~~increment~~] housing infrastructure growth financing plan shall
20 contain estimates of: [~~project~~]

21 (1) Project costs; [~~amount~~]



- 1 (2) The amount of [~~tax increment~~] housing infrastructure
- 2 growth bonds to be issued; [~~sources~~]
- 3 (3) Sources of revenue to finance or otherwise pay project
- 4 costs; [~~the~~]
- 5 (4) The most recent assessed value of taxable real
- 6 property in the district; [~~the~~]
- 7 (5) The duration of the district's existence; and
- 8 [~~statements~~]
- 9 (6) Statements from the county's department of finance,
- 10 and the county's department of budget, if applicable,
- 11 regarding the financial and budgetary impacts on the
- 12 county resulting from the proposed [~~tax increment~~]
- 13 housing infrastructure growth financing plan.
- 14 [~~"Tax increment~~] "Housing infrastructure growth fund" means
- 15 a fund [~~which shall be~~] held by the director of finance or other
- 16 fiduciary designated by the county council and into which all
- 17 tax increments and other moneys pledged by the county for
- 18 payment of [~~tax increment~~] housing infrastructure growth bonds
- 19 are paid, and all proceeds from the sale of [~~tax increment~~]
- 20 housing infrastructure growth bonds are deposited, and from
- 21 which moneys are disbursed to pay project costs for the [~~tax~~



1 ~~increment]~~ housing infrastructure growth district or to satisfy
2 claims of holders of [~~tax increment]~~ housing infrastructure
3 growth bonds issued for the district."

4 6. By repealing the definition of "tax increment bond".

5 [~~"Tax increment bonds" mean bonds, notes, interim~~
6 ~~certificates, debentures, or other obligations issued pursuant~~
7 ~~to this part."~~]

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

10 "**§46-104 County powers.** A county may exercise any power
11 necessary and convenient to establish [~~tax increment]~~ housing
12 infrastructure growth districts, including the power to:

13 (1) Create [~~tax increment]~~ housing infrastructure growth
14 districts and determine the boundaries of the
15 districts;

16 (2) Issue [~~tax increment]~~ housing infrastructure growth
17 bonds;

18 (3) Deposit tax increments into the [~~tax increment]~~
19 housing infrastructure growth fund created for a [~~tax~~
20 ~~increment]~~ housing infrastructure growth district; and



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

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

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

14 (1) The amount of real property tax produced from the
 15 assessment base shall be paid to the county general
 16 fund; and

17 (2) The tax increments produced from the assessment
 18 increment in the [~~tax-increment~~] housing
 19 infrastructure growth district shall be applied as
 20 follows:



1 (A) First, an amount equal to the installment of (i)
 2 principal and interest falling due of any [~~tax~~
 3 ~~increment~~] housing infrastructure growth bonds,
 4 or (ii) any project cost approved by the county,
 5 shall be deposited into the [~~tax-increment~~]
 6 housing infrastructure growth fund established
 7 for the [~~tax-increment~~] housing infrastructure
 8 growth district[-];

9 (B) Second, an amount equal to the adjustment rate
 10 times the amount of real property tax produced
 11 from the assessment base shall be computed and
 12 paid to the county general fund[-]; and

13 (C) Third, the remaining amount of tax increments, if
 14 any, shall be deposited into the [~~tax-increment~~]
 15 housing infrastructure growth fund established
 16 for the [~~tax-increment~~] housing infrastructure
 17 growth district."

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

20 "§46-106 [~~Tax-increment~~] Housing infrastructure growth

21 **bonds.** (a) A county may issue [~~tax-increment~~] housing



1 infrastructure growth bonds, the proceeds of which may be used
2 to pay project costs for a [~~tax increment~~] housing
3 infrastructure growth district or to satisfy claims of
4 bondholders. The county may issue refunding bonds [~~previously~~
5 ~~issued by the county~~] for the purpose of paying or retiring
6 housing infrastructure growth bonds previously issued by the
7 county, or in exchange for [~~tax increment~~] housing
8 infrastructure growth bonds previously issued by the county.
9 Principal and interest on [~~tax increment~~] housing infrastructure
10 growth bonds shall be made payable, as to both principal and
11 interest, solely from the [~~tax increment~~] housing infrastructure
12 growth fund established for the [~~tax increment~~] housing
13 infrastructure growth district.

14 A county may provide in its contract with the owners or
15 holders of the [~~tax increment~~] housing infrastructure growth
16 bonds that the county will pay into the [~~tax increment~~] housing
17 infrastructure growth fund all or any part of the revenue or
18 money produced or received as a result of the operation or sale
19 of a facility acquired, improved, or constructed pursuant to a
20 redevelopment plan or community development plan, as the case
21 may be, to be used to pay principal and interest on the [~~tax~~



1 ~~increment]~~ housing infrastructure growth bonds and, if a county
2 so agrees, the owners or holders of the [~~tax-increment]~~ housing
3 infrastructure growth bonds may have a lien or mortgage on any
4 facility acquired, improved, or constructed with the proceeds of
5 the [~~tax-increment]~~ housing infrastructure growth bonds.

6 (b) [~~Tax-increment]~~ Housing infrastructure growth bonds,
7 and the income therefrom, issued pursuant to this part shall be
8 exempt from all state and county taxation, except estate and
9 transfer taxes.

10 The bonds shall be authorized by ordinance and may be
11 issued in one or more series. The [~~tax-increment]~~ housing
12 infrastructure growth bonds of each issue shall be dated, be
13 payable upon demand or mature at a time or times not exceeding
14 thirty years from their date of issuance, bear interest at a
15 rate or rates, be in a denomination or denominations, be in
16 registered form, have a rank or priority, be executed in a
17 manner, be payable in a medium of payment at a place or places,
18 and be subject to terms of redemption (with or without premium),
19 be secured in a manner, and have other characteristics as may be
20 provided by the ordinance providing for issuance of the bonds or
21 by the trust indenture or mortgage issued in connection with the



1 bonds. The county may sell [~~tax-increment~~] housing
2 infrastructure growth bonds in such manner, either at public or
3 private sale, and for such price as it may determine.

4 (c) Prior to the preparation of definitive [~~tax-increment~~]
5 housing infrastructure growth bonds, the county may issue
6 interim receipts or temporary bonds exchangeable for definitive
7 bonds when such bonds have been executed and are available for
8 delivery.

9 (d) Should any bond issued under this part become
10 mutilated or be lost, stolen, or destroyed, the county may cause
11 a new bond of like date, number, and tenor to be executed and
12 delivered in exchange and substitution for, and upon the
13 cancellation of such mutilated bond, or in lieu of and in
14 substitution for such lost, stolen, or destroyed bond. Such new
15 bond shall not be executed or delivered until the holder of the
16 mutilated, lost, stolen, or destroyed bond:

17 (1) Has paid reasonable expenses and charges in connection
18 therewith;

19 (2) In the case of a lost, stolen, or destroyed bond, has
20 filed with the county or its fiduciary satisfactory



1 evidence that such bond was lost, stolen, or
2 destroyed, and that the holder was owner thereof; and
3 (3) Has furnished indemnity satisfactory to the county.

4 (e) Notwithstanding any of the provisions of this part or
5 any recital in any [~~tax increment~~] housing infrastructure growth
6 bond issued under this part, all [~~tax increment~~] housing
7 infrastructure growth bonds shall be deemed to be investment
8 securities under the Uniform Commercial Code, chapter 490,
9 subject only to the provisions pertaining to registration.

10 (f) In any suit, action, or other proceeding involving the
11 validity or enforceability of a bond issued under this part or
12 the security for a bond or note issued under this part, a bond
13 reciting in substance that it had been issued by the county for
14 a [~~tax increment~~] housing infrastructure growth district shall
15 be conclusively deemed to have been issued for that purpose, and
16 the development or redevelopment of the district conclusively
17 shall be deemed to have been planned, located, and carried out
18 as provided by this part.

19 (g) All banks, trust companies, savings banks and
20 institutions, building and loan associations, savings and loan
21 associations, investment companies, and other persons carrying



1 on a banking or investment business; all insurance companies,
2 insurance associations, and other persons carrying on an
3 insurance business; and all personal representatives,
4 administrators, curators, trustees, and other fiduciaries
5 legally may invest sinking funds, money, or other funds
6 belonging to them or within their control in [~~tax-increment~~]
7 housing infrastructure growth bonds issued by a county pursuant
8 to this part. The bonds shall be authorized security for all
9 public deposits. Any person, political subdivision, and
10 officer, public or private, are authorized to use funds owned or
11 controlled by them for the purchase of [~~tax-increment~~] housing
12 infrastructure growth bonds. This part does not relieve any
13 person of the duty to exercise reasonable care in selecting
14 securities.

15 (h) [~~Tax-increment~~] Housing infrastructure growth bonds
16 shall be payable only out of the [~~tax-increment~~] housing
17 infrastructure growth fund. The county council may pledge
18 irrevocably all or a part of the fund for payment of the bonds.
19 The part of the fund pledged in payment thereafter shall be used
20 only for the payment of the bonds or interest or redemption
21 premium, if any, on the bonds until the bonds have been fully



1 paid. A holder of the bonds shall have a lien against the fund
2 for payment of the bonds and interest thereon and may either at
3 law or in equity protect and enforce such lien.

4 (i) No officer of the county, including any officer
5 executing [~~tax increment~~] housing infrastructure growth bonds,
6 shall be liable for the [~~tax increment~~] housing infrastructure
7 growth bonds by reason of the issuance thereof. [~~Tax increment~~]
8 Housing infrastructure growth bonds issued under this part shall
9 not be general obligations of the State or county, nor in any
10 event shall they give rise to a charge against the general
11 credit or taxing powers of the State or county or be payable
12 other than as provided by this part. No holder of bonds issued
13 under this part shall have the right to compel any exercise of
14 the taxing power of the State or county to pay such bonds or the
15 interest thereon, and no moneys other than the moneys in the
16 [~~tax increment~~] housing infrastructure growth fund pledged to
17 the bonds shall be applied to the payment thereof. [~~Tax~~
18 ~~increment~~] Housing infrastructure growth bonds issued under this
19 part shall state these restrictions on their face.

20 (j) The [~~tax increment~~] housing infrastructure growth
21 bonds bearing the signature or facsimile signature of officers



1 in office on the date of the signing thereof shall be valid and
2 sufficient for all purposes, notwithstanding that before [~~the~~
3 delivery [~~thereof~~] and payment [~~therefor~~], any or all persons
4 whose signatures appear thereon shall have ceased to be officers
5 of the county.

6 (k) [~~Tax increment~~] Housing infrastructure growth bonds
7 shall not be issued in an amount exceeding the total costs of
8 implementing the [~~tax increment~~] housing infrastructure growth
9 financing plan for which they were issued."

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

12 "**§46-110** [~~Tax increment~~] **Housing infrastructure growth**
13 **fund.** (a) Money shall be disbursed from the [~~tax increment~~]
14 housing infrastructure growth fund for a [~~tax increment~~] housing
15 infrastructure growth district only to satisfy the claims of
16 holders of [~~tax increment~~] housing infrastructure growth bonds
17 issued for the [~~tax increment~~] housing infrastructure growth
18 district or to pay project costs for the district, or to make
19 payments to the county as provided by subsection (c).

20 (b) Subject to an agreement with the holders of [~~tax~~
21 ~~increment~~] housing infrastructure growth bonds, money in a [~~tax~~



1 ~~increment]~~ housing infrastructure growth fund may be temporarily
2 invested in the same 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 installments
5 of principal and interest of [~~tax increment~~] housing
6 infrastructure growth bonds issued for a [~~tax increment~~] housing
7 infrastructure growth district falling due, the funding or
8 replenishment of any reserves securing the payment of any
9 housing infrastructure growth bonds, and the amount paid to the
10 county general fund pursuant to section 46-105(b)(2)(B), and
11 subject to any agreement with bondholders, any excess money in
12 the fund at the option of the county council, shall be used to
13 redeem or purchase any outstanding [~~tax increment~~] housing
14 infrastructure growth bonds issued for the district, discharge
15 the pledge of tax increment therefor, be paid into an escrow
16 account dedicated to the payment of [~~such~~] the bonds, be paid
17 over to the county general fund, or any combination thereof."

18 SECTION 6. Sections 46-101, 46-103, 46-107, 46-108, 46-
19 109, 46-111, and 46-112, Hawaii Revised Statutes, are amended by
20 substituting the term "housing infrastructure growth", or



1 similar term, wherever the term "tax increment", or similar
2 term, appears as the context requires.

3 PART II

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

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

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

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

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

19 "Director of finance" [~~shall mean~~] means the director of
20 finance of the county, or if the county does not have a director
21 of finance, the officer of the county in whom is vested the



1 functions and powers of maintaining the treasury of the county
2 and issuing and selling, paying interest on, and redeeming bonds
3 of the county.

4 "Fiscal year" [~~shall mean~~] means the fiscal year of the
5 county as defined in section 46-41.

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

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

19 SECTION 8. 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, housing
11 infrastructure growth bonds, and all other bonds of
12 the county outstanding and unpaid, including bonds
13 [~~which~~] that may be excluded under clauses 1, 2, 3, 4,
14 5, 6, 8, [~~and~~] 9, and 10 of [~~section 13 of article VII~~
15 ~~of the constitution~~] article VII, section 13, of the
16 Hawaii State Constitution when determining the funded
17 debt of the county for the purposes of that section
18 together with a grand total of [~~such~~] the total
19 principal amounts[~~-~~];

20 (2) The total principal amount of all bonds of the State
21 required by clause [~~(7)~~] 7 of [~~section 13 of article~~



1 ~~VII of the constitution]~~ article VII, section 13, of
2 the Hawaii State Constitution to be included when
3 determining the funded debt of the county for the
4 purposes of that section~~[-]~~;

5 (3) A grand total of the total principal amounts set forth
6 in the summary pursuant to paragraphs (1) and (2)~~[-]~~;

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

20 (5) The difference between the grand total principal
21 amount set forth in the summary pursuant to



1 paragraph (3) and the grand total principal amount set
2 forth in the summary pursuant to paragraph (4).

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

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



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



1 bonds and findings as are necessary to justify [~~such~~] the
2 exclusion under [~~such~~] those clauses.

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

13 PART III

14 SECTION 10. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 11. This Act shall take effect on July 1, 3000,
17 and upon ratification of a constitutional amendment expressly
18 providing that the legislature may authorize the counties to
19 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:

Part I: Substitutes the word "tax increment" with "housing infrastructure growth" for purposes of the Housing Infrastructure Growth Financing Act, except under certain circumstances. Part II: Conforms state law concerning county debt limits 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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