THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 3218 S.D. 1

A BILL FOR AN ACT

RELATING TO BONDS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 5. This Act shall take effect upon its approval and upon ratification of a constitutional amendment expressly providing that the legislature may authorize the counties to issue housing infrastructure growth bonds and excluding housing infrastructure growth bonds from determinations of the funded debt of the counties.

S.B. NO. 3218 S.D. 1

Report Title:
Housing Infrastructure Growth Bonds; Counties; County Debt Limit Statements

Description:
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. (SD1)

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