
A BILL FOR AN ACT

RELATING TO 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~~] means
7 the 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~~] means the chief legal
13 advisor or legal representative of the county.

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

16 "Director of finance" [~~shall mean~~] means the director of
17 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", "housing infrastructure
14 growth bonds", "net revenue", "net user tax receipts",
15 "reimbursable general obligation bonds", "revenue bonds",
16 "special purpose revenue bonds", and "user tax" shall have the
17 respective meanings and inclusions given to [~~such~~] those words
18 and terms in [~~section 12 of article VII of the constitution.~~]
19 article VII, section 12, of the Hawaii State Constitution."

20 SECTION 2. Section 47C-2, Hawaii Revised Statutes, is
21 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 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 3. 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 [~~so~~] applied may be considered and
11 treated as moneys irrevocably set aside for the payment of
12 [~~such~~] the bonds."

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 Statutory material to be repealed is bracketed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

15 SECTION 5. This Act shall take effect on July 1, 2050, and
16 upon ratification of a constitutional amendment expressly
17 providing that the legislature may authorize the counties to
18 issue housing infrastructure growth bonds and excluding housing
19 infrastructure growth bonds from determinations of the funded
20 debt of the counties.



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. Effective 7/1/2050. (SD2)

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