

ACT 3

A Bill for An Act Relating to the Redevelopment of Areas of Hilo Devastated by Tsunami by Authorizing the Issuance of State General Obligation Bonds and by Making Appropriations.

*Be it Enacted by the Legislature of the State of Hawaii:*

SECTION 1. There is hereby appropriated from the general revenues of the State, not otherwise appropriated, the sum of \$25,000 or so much thereof as may be necessary to the Hawaii Redevelopment Agency to be expended for the purpose of preliminary organizational expenses, administrative expenses and overhead of the agency, and necessary costs relating to the redevelopment of the area of the City of Hilo devastated by the tsunami of May 23, 1960. The funds appropriated hereunder shall be expended by the Hawaii Redevelopment Agency pursuant to the provisions of Chapter 143 of the Revised Laws of Hawaii 1955, as amended.

SECTION 2. The Department of Budget and Review is hereby authorized to issue State general obligation bonds as and in the manner provided by law in the sum of \$2,500,000, or so much thereof as may be necessary, for the purpose of paying the local government's share of a redevelopment project undertaken with Federal financial assistance covering all or part of an area of the City of Hilo damaged by the tsunami of May 23, 1960. The proceeds of such bond sale, or so much thereof as may be necessary, are hereby appropriated to the County of Hawaii for the purpose of assuring and paying, when needed, the amount of the local cash grant-in-aid for such redevelopment project as may be required under any contract for Federal financial assistance for such project.

Provided, that if such project is not commenced by the Hawaii Redevelopment Agency within the period required by applicable Federal Law to qualify for such financial assistance, this section shall be null and void. Provided further, that if the amount of the actual bond sales are less than the \$2,500,000 bond authorization provided for in this section, the excess authorization shall lapse. Provided further, that if the proceeds of such bond sales exceed the requirements of the final local cash grant-in-aid, the excess funds shall revert to the general fund of the State and such amount shall be used to reduce the outstanding debt of the County of Hawaii under the provisions of this Act.

SECTION 3. The County of Hawaii shall pay to the State of Hawaii on the interest dates of such bonds issued by the State under this Act, the interest as shall from time to time become due thereon. No payments shall be required to be made by the County of Hawaii to the State on account of the principal of such bonds, except as provided for in the last proviso of Section 2 above, until three years after the date of sale thereof. Thereafter equal periodic payments, at such dates as prescribed by the Department of Budget and Review shall be made by said County to the State so as to liquidate both the principal of bonds issued hereunder and expended for the local cash grant-in-aid for such project and interest thereon within twenty years of the date of sale.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 6, 1960.) **S.B. 4.**