

ACT 118

An Act Amending Chapter 137, Revised Laws of Hawaii 1955, Relating to the Issuance of Bonds of the State of Hawaii and Repealing Section 137-4 of Said Chapter.

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

SECTION 1. Section 137-3 of the Revised Laws of Hawaii 1955 is amended to read as follows:

“Sec. 137-3. Refunding bonds authorized. For the purpose of refunding present and future bonded indebtedness of the State of Hawaii, or bonds issued by any department of the State, the director of the department of budget and review, with the approval of the governor,

may from time to time issue general obligation refunding bonds of the State with which to call and redeem all or any part of outstanding bonds of the State, or bonds issued by any department of the State, at or before the maturity or the redemption date thereof, and may include various series and issues of such outstanding bonds in a single issue of refunding bonds, and to issue refunding bonds to pay any redemption premium and interest to accrue and become payable on such outstanding bonds being refunded. The net interest cost to the State over the life of any issue of such refunding bonds shall not exceed five per centum per annum, and the interest rate or rates thereon shall not be limited by the interest rate or rates borne by any of the bonds to be refunded thereby. Such refunding bonds may be issued and delivered at any time prior to the date of maturity or redemption date of the bonds to be refunded that the director of the department of budget and review, with the approval of the governor, determines to be in the best interests of the State. Said refunding bonds shall, except as specifically provided in this section, be issued in accordance with the provisions with respect to bonds of the State set forth in chapter 137, Revised Laws of Hawaii 1955. The proceeds derived from the sale of refunding bonds issued hereunder may be invested in obligations of, or guaranteed by, the United States government pending the time such proceeds are required for the purposes for which such refunding bonds are issued, and to further secure such refunding bonds the State may, through the director of the department of budget and review, enter into a contract with any bank or trust company, within or without the State of Hawaii, with respect to the safekeeping and application of the proceeds of such refunding bonds, and the safekeeping and application of the earnings on such investment, which contract shall become a part of the contract with the holders of such refunding bonds."

SECTION 2. Section 137-4 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 915.**
