

**ACT 43**

S. B. 185.

A Bill for an Act Amending Section 143-16, Revised Laws of Hawaii 1955,  
Relating to Urban Redevelopment and Renewal.

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

SECTION 1. This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of the facts constituting such urgency:

Section 143-16 of the Revised Laws of Hawaii 1955, authorizes a local redevelopment agency to issue bonds and other obligations. Paragraph (b) of

said section 143-16 provides, in part, that such bonds and other obligations shall not be a debt of the United States and the United States shall not be liable thereon. However, section 102 of the Federal Housing Act of 1949, as amended, provides that, if a local redevelopment agency obtains loan funds from sources other than the Federal Government, the United States may consent to a pledge by such agency of the federal loan and grant contract as security for the loan and may agree to pay off such loan obligations from federal funds. Consequently, there is an ambiguity between local and federal law.

A local redevelopment agency has been apprised of such ambiguity and informed that sales of its loan notes may be jeopardized in the future. Any factor adversely affecting the sales of such notes will impede and delay the undertaking and completion of urban redevelopment and renewal projects within the State of Hawaii. Thus this Act is considered an urgency measure deemed necessary for the public interest.

SECTION 2. Paragraph (b) of section 143-16 of the Revised Laws of Hawaii 1955 is hereby amended by amending the second sentence to read as follows:

“The bonds and other obligations of the agency (and such bonds and obligations shall so state on their face) shall not be a debt of the county or the State and neither the county nor the State shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any county or state funds or properties other than those of the agency acquired for the purposes of this part.”

SECTION 3. This Act shall take effect upon its approval.  
(Approved May 8, 1968.)