

ACT 75

H. B. 502.

A Bill for an Act Relating to Security for Airport Revenue Bonds and Amending Act 195, Session Laws of Hawaii 1965, Act 38, Session Laws of Hawaii 1966, and Act 217, Session Laws of Hawaii 1967.

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:

Act 195, Session Laws of Hawaii 1965, Act 38, Session Laws of Hawaii 1966, and Act 217, Session Laws of Hawaii 1967, collectively authorized the Department of Transportation to issue \$11,818,700 of airport revenue bonds for designated projects at Honolulu International Airport. Sections 13, 14, and 12, respectively, spelled out the security to be pledged to the bond holders. On advice of independent bond counsel in New York, the Department is proposing these amendments to the prior authorizations to insure that the subject revenue bonds will not be counted against the debt limit of the State.

The proposed revision would also permit, but not require, the inclusion in the bond issues of amounts to establish a debt service reserve.

SECTION 2. Section 13, Act 195, Session Laws of Hawaii 1965,

Section 14, Act 38, Session Laws of Hawaii 1966, and Section 12, Act 217, Session Laws of Hawaii 1967, are hereby amended in their entirety to read as follows:

"The department of transportation is further authorized to issue airport revenue bonds for airport projects authorized by this Act to be financed by airport revenue bonds, in such principal amount as shall be required to yield the amounts appropriated by this Act from airport revenue bond funds for such projects, plus if so determined by the department and approved by the Governor, such additional amounts as may be deemed necessary by the department to pay interest on such revenue bonds during the construction period and for six months thereafter, to establish, maintain or increase reserves for the airport revenue bonds and to pay the expenses of issuance of such bonds. The aforementioned airport revenue bonds shall be issued pursuant to provisions of Part III, Chapter 137, Revised Laws of Hawaii 1955, as amended. The principal and interest of airport revenue bonds, to the extent not paid from the proceeds of such bonds, shall be secured only by the revenues from airports and related facilities under the ownership of the State and operated and managed by the department or such part thereof as the department may determine, including rents, landing fees and other fees or charges presently or hereafter derived from or arising through the ownership, operation and management of airports and related facilities and the furnishing and supplying of the services thereof. Such security shall not include any taxes and no holder or holders of any bonds shall ever have the right to compel any exercise of the taxing power of the State to pay the bonds or the interest thereon and such bonds shall not constitute a debt of the State within the meaning of any limitation of law. The expenses of the issuance of such airport revenue bonds shall to the extent not paid from the proceeds of such bonds be paid from airport special funds. The Governor, in his discretion, is authorized to use airport special funds to finance those projects in section 1 where the method of financing is designated to be by airport revenue bond funds."

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

(Became law May 22, 1968, without Governor's signature pursuant to State Constitution, Art. III, § 17.)