

ACT 125

H. B. NO. 1046

A Bill for an Act Relating to the Deposit of Money in Banks.

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

SECTION 1. Section 38-2, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 38-2. Securities for protection of funds deposited. For the pro-

ACT 125

tection of funds deposited by the director of finance under the provisions of this chapter, the following securities shall be deposited with the director of finance, or with banks in the continental United States, as the director of finance may select, to be held therein for safekeeping subject to the order of the director of finance, any other provisions of the laws of the State to the contrary notwithstanding:

(1) Bonds, notes, debentures or other evidences of indebtedness of the State or of any county of the State, for which the payment of the interest and principal is a direct obligation of the State or the county, as the case may be, in an amount at least equal in their par value to the amount of the deposit with the banks; or

(2) Bonds, notes, debentures or other evidences of indebtedness of agencies of the State or of agencies of any county of the State, for which the payment of the interest and principal is from the revenues of the issuing agency, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with the banks; or

(3) Bonds, notes, debentures or other evidences of indebtedness of any improvement district or frontage improvement of any county of the State, for which the payment of the interest and principal is from the assessments made for the improvement, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with the banks; or

(4) Bonds, notes, bills or certificates of indebtedness of the United States or of agencies of the United States, for which the payment of the interest and principal is a direct obligation of the United States, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with the banks; or

(5) Bonds, notes or debentures of agencies of the United States, in an amount at least equal to ninety-five per cent of their market value, but not to exceed their par value, to the amount of the deposit with the banks; or

(6) Warrants or warrant notes of the State in an amount at least equal in their face value to the amount of the deposit with the banks; or

(7) Bonds, notes, debentures or other evidences of indebtedness of any other State of the United States, for which the payment of the interest and principal is a direct obligation of such State, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with the banks; or

(8) Bonds, notes, debentures or other evidences of indebtedness of any city or of any county in the continental United States, for which the payment of the interest and principal is a direct obligation of the city or county, as the case may be, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with the banks; or

(9) Other safe bonds, notes, debentures or other evidences of indebtedness as may be approved by the governor and the director of finance, in an amount and value to the amount of the deposit with the banks as is determined by the director of finance.

Securities deposited under the provisions of this section may be withdrawn from time to time; provided, that the required amount of securities shall

at all times be kept on deposit. The director of finance may at any time require additional securities to be deposited under the provisions of this section.

In the event that the bank of deposit shall fail to pay such deposits, or any part thereof, upon presentation of a check or a certificate of deposit, then the director of finance shall forthwith convert the securities deposited under the provisions of this section into money for and on behalf of the State; provided, that no such securities shall be sold except at public auction, after giving at least ten days' notice by publication in some newspaper of general circulation in the State.

SECTION 2. Statutory material to be added is underscored. In printing this Act, the revisor of statutes may exclude the underscoring.*

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

(Approved June 26, 1969.)

* Edited accordingly