

A Bill for an Act Relating to Urban Renewal Law.

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

SECTION 1. The introductory defining clause of Section 53-1, Hawaii Revised Statutes, is hereby amended to read as follows:

“§53-1. Definitions. The following terms wherever used or referred to in part I, part II and, unless specifically indicated otherwise therein, part III of this chapter have the following respective meanings, unless a different meaning clearly appears from the context:”.

SECTION 2. Chapter 53 of the Hawaii Revised Statutes is hereby amended by adding a new part to be appropriately numbered and to read as follows:

**“PART . EXERCISE OF URBAN RENEWAL POWERS
BY A COUNTY DIRECTLY.**

“Sec. -1. County May Exercise Urban Renewal Powers Directly. As an alternative to either the creation under section 53-2 of an agency in a

county or the continued existence of an agency theretofore created in the county under said section, a county, rather than through such agency, may directly exercise as provided in this part the powers conferred upon an agency by parts I and II of this chapter. In the event that an agency does not then exist in the county, the determination by a county to exercise such powers directly rather than through such an agency shall be made by ordinance of the board. In the event that an agency does then exist in the county, the charter of the county shall provide for the abolition of the agency and for the transfer of the powers, duties and functions of the agency to an officer or department of the county, and the agency shall stand abolished as provided in the charter. Upon such determination or abolition, as the case may be, the county shall then possess all powers granted to a county by this part.

“Sec. -2. Abolition of Existing Agency. In the event of the abolition of an agency in the county, the county upon such abolition shall succeed to all the powers, rights, duties, functions, funds, properties and obligations of the agency. However, as to any obligations of the agency existing at the time of the abolition, the county shall not incur any greater liability than that of the agency at the time of such abolition. The county shall not be liable for such obligations out of any funds or properties of the county other than those funds and properties which would have been required to be applied to the satisfaction of such obligations had such abolition not occurred.

If any of the obligations of the agency constitute bonds or other indebtedness of the agency, the county shall carry out and perform all promises, covenants, contracts and agreements of the agency contained in such bonds or other indebtedness or in the resolution, trust agreement, mortgage or other proceeding or instrument providing for the issuance, payment and security of such bonds or other indebtedness, and shall maintain such funds and accounts as are required for such purpose or as are required by such bonds, other indebtedness, resolution, trust agreement, mortgage, proceeding or instrument. The provisions of the last paragraph or section -5 of this part shall be applicable to such bonds or other indebtedness.

“Sec. -3. Powers of county. Any county which pursuant to section -1 of this part shall directly rather than through an agency exercise the powers conferred upon an agency by parts I and II of this chapter shall have all powers granted to an agency under such parts, and the provisions of such parts shall be applicable to the county in the exercise of such powers as though the county constituted an agency thereunder. However, the preceding provisions of this paragraph shall be subject to the following:

“(a) The county shall exercise such powers in its own name and shall not be required to use the words ‘redevelopment agency’ in such exercise.

“(b) The provisions of section 53-2, being inappropriate where the county directly carries out the purposes of this chapter, shall not be applicable.

“(c) The provisions of section 53-3 shall apply to the members of the board and to the elected and appointed officials and the employees of the county administering or performing the functions of the county under this part or responsible for such administration or performance.

“(d) The provisions of section 53-4 shall not be applicable to the county. In lieu thereof removal of members of the board and of the elected and appointed officials and the employees of the county administering or performing any of the functions of the county under this part shall be as provided in the charter of the county or in other laws.

“(e) The provisions of paragraph (3) of section 53-5 shall not apply to the county. In lieu thereof the county shall appoint such personnel as provided by or in accordance with the charter of the county or other laws.

“(f) The words ‘redevelopment agency’ and ‘agency’ where used in the first and second paragraphs and the first sentence of the third paragraph of section 53-6 shall mean the officer or department of the county to which or whom is assigned the performance of the duties and functions of the county under this part, and amendments made pursuant to said section by the board to a redevelopment plan shall not be required to be approved by such officer or department.

“(g) The provisions of the third, fifth and seventh paragraphs of section 53-8, being inappropriate to the carrying out by the county directly of the purposes of this chapter, shall not be applicable.

“(h) The county shall possess all powers granted by section 53-11 to an instrumentality of the government with the same force and effect as though the county were not directly performing the functions of an agency under this chapter.

“(i) The bonds referred to in paragraph (5) of section 53-11 shall include bonds issued by the county to carry out the purposes of this chapter.

“(j) Any lease proposed to be entered into under the provisions of section 53-12 which has been authorized by the board need not thereafter be submitted to the board for its approval or disapproval.

“(k) The provisions of section 53-14 shall be inapplicable. The county may provide for payments to the county in lieu of taxes or for the supplying by the county of governmental services.

“(l) Borrowings by the county pursuant to section 53-15 and the issuance by the county of bonds pursuant to section 53-16 shall be subject to the provisions of the next section of this part.

“(m) The provisions of section 53-18 shall not be applicable. In lieu thereof any funds of the county arising out of the exercise of its functions under this part shall be invested in accordance with the provisions of law applicable to the investment of other moneys of the county.

“(n) The provisions of section 53-19 shall not be applicable. In lieu thereof the county shall include in its annual financial report a report of its receipts, expenditures and activities under this chapter for the year to which such annual report pertains, and shall include in its annual budget or budgets its proposed program under this chapter and the estimated cost thereof for the year to which such budget or budgets pertain.

“(o) The approval by the board of any plan or project authorized in section 53-20 shall not require any concurrency, including by the officer or department administering or performing the functions of the county under this part.

“(p) The provisions of paragraph (b) of section 53-22 shall be inapplicable; provided that nothing in this subparagraph shall be deemed to prohibit the county from advancing for the purposes of this part moneys other than redevelopment moneys or funds, or from reimbursing itself from redevelopment moneys or funds so advanced, or from issuing its bonds as provided in this part.

“(q) The words ‘the agency, the county’ where used in the second sentence of section 53-53 shall mean and refer to the county.

“(r) The second sentence of section 53-54 shall be construed as meaning that the county may delegate to any other public body any of the powers or functions of the county with respect to the planning or undertaking of an urban renewal project in the area in which such public body is authorized to act, and such other public body may carry out or perform such powers or functions for the county.

“**Sec. -4. Incurring of Indebtedness by the County.** For the purpose of carrying out its powers, duties and functions under this part, including for the payment of principal and interest upon any advances for moneys and plans for redevelopment projects, the county may:

“(a) borrow and apply for and accept advances and loans; provided that unless the obligation of the county to repay such advances or satisfy such loans is limited to the revenues derived by the county from an undertaking as defined in section -5 of this part, the incurring by the county of any such indebtedness shall be carried out under and pursuant to the provisions of chapter 47 hereof;

“(b) issue its bonds under and pursuant to the provisions of chapter 47 hereof, including, without limiting the foregoing, for the refunding of bonds issued by an agency of the county abolished as provided in section -1 of this part and the refunding of bonds issued by the county under the next following subparagraph; and

“(c) issue its bonds under and pursuant to the provisions of section 53-16, all of the provisions of which shall be applicable to such bonds and to the county in the issuance thereof except as follows:

“(i) such bonds shall be issued only for the purpose of carrying out the powers, duties and functions of the county under this part, including, without limiting the foregoing, the refunding of bonds issued by the county under this subparagraph (c) or the preceding subparagraphs (a) and (b) of this section or the refunding of bonds issued by an agency of the county abolished as provided in section -1 of this part;

“(ii) the principal of and interest on such bonds shall be payable and secured solely as provided in subparagraphs (1) and (2) of paragraph (a) of section 53-16, and in no event shall be payable from the general fund of the county or from taxes or from any other funds or properties of the county other than those referred to in said paragraphs (1) and (2), nor shall such bonds be secured by the full faith and credit of the county or the general fund or the taxing power of the county;

- “(iii) neither the board nor any officer or employee of the county nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof;
- “(iv) the bonds shall be limited obligations of the county payable and secured solely as provided in item (ii) above of this subparagraph and shall so state on their face;
- “(v) the words ‘members’ or ‘officers’ where used in paragraph (e) of section 53-16 shall mean members of the board and officers of the county; and
- “(vi) the words ‘rents’, ‘fees’ and ‘revenues’ where used in paragraph (g) of section 53-16 shall mean and include only those rents, fees and revenues derived by the county from its activities under this part; the words ‘real and personal property’ and ‘property’ where used in said paragraph shall mean only the real and personal property held by the county for the purposes of this chapter and shall not include real and personal property held for other public uses and purposes, such as streets, parks, public buildings, publicly-owned utilities and the like; and the word ‘bonds’ where used in said paragraph shall mean bonds of the county issued under said section as incorporated into this part and the bonds of any agency of the county abolished as provided in section -1 of this part.

“Sec. -5. Projects to constitute ‘undertakings’; revenues to include certain federal moneys; imposition of rates and charges. In the event of the exercise by a county of the powers granted in this part, each redevelopment project of the county, two or more redevelopment projects of the county if administered as a single project, or all of the redevelopment projects of the county if administered as an entity, shall constitute an undertaking of the county. For all purposes of this part and of chapters 47 and 47C, the term ‘revenues’ shall mean the moneys derived from the rates and charges imposed for the use and services of the undertaking or otherwise derived by the county from its ownership or operation of the undertaking, exclusive of taxes and payments made to the county for services separate and apart from this chapter but inclusive of amounts paid by the federal government for payment, or reimbursement of payment by the county, of costs of operation, maintenance and repair of an undertaking, for payment, or reimbursement of payment by the county, of principal of or interest on bonds issued for an undertaking, or for any other purpose connected with an undertaking.

“Whenever and for so long as there shall be outstanding bonds issued by the county under section 53-16 as incorporated in this part or issued under said section by an agency of the county abolished as provided in this part, the county shall impose rates and charges for the use and services of the undertaking, from the revenues derived from which such bonds are payable or for which such bonds were issued, sufficient to pay the costs of operation, maintenance and repair of the undertaking and to pay the principal of and interest on such bonds. The county shall deposit such revenues in a special fund and apply the same to such payments in the amount necessary therefor.”

SECTION 3. The provisions of any charter of a county heretofore approved by the voters of such county which provide for the transfer to an officer or department of such county of the powers, duties and functions of the redevelopment agency of the county and the abolition of such agency are hereby ratified, validated, confirmed and approved. Upon such transfer and the abolition of such redevelopment agency, the county shall have all the powers, functions and duties granted to counties by the provisions added to the Hawaii Revised Statutes by this Act and such provisions shall be applicable to such county.

SECTION 4. The Revisor of Statutes shall appropriately number or renumber the sections added to the Hawaii Revised Statutes by this part. In doing so the Revisor of Statutes shall appropriately renumber the cross-references to such sections contained in such sections as set forth in this Act.

SECTION 5. If any of the provisions of the sections added to the Hawaii Revised Statutes by this Act, or the applicability thereof to any person or in any circumstance, is held invalid, the invalidity does not affect other provisions or other applications which can be given effect without the invalid provision or application, and to this end the provisions of such sections are severable.

SECTION 6. This Act and the sections added to the Hawaii Revised Statutes by this Act shall be liberally construed to effect the purposes of this Act and such sections.

SECTION 7. New material is underscored. In printing this Act, the Revisor of Statutes need not include the underscoring.*

SECTION 8. This Act shall take effect on January 1, 1975.

(Approved June 3, 1974.)

*Edited accordingly.