

ACT 10

S.B. NO. 336

A Bill for an Act Relating to General Obligation Bonds of the Counties.

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

SECTION 1. Section 47-2.1, Hawaii Revised Statutes, is hereby amended to read as follows:

“Sec. 47-2.1 Bonds for revenue-producing undertakings. General obligation bonds may be issued under this part for an undertaking as defined in section 49-1 or for any other undertaking for which such bonds are authorized to be issued by other provisions of general law. Such bonds may be combined into, issued and sold with other general obligation bonds of the county as a single issue of bonds. The governing body may require that the general fund of the county shall be reimbursed from the revenue of the undertaking for all of the principal of and interest on such bonds, or for such part thereof as the governing body may determine, and may further provide that such bonds shall be additionally secured by a pledge of the revenues of the undertaking, subject to the rights of the holder of any bonds then outstanding and the provisions of the ordinances or resolutions authorizing the outstanding bonds. Whenever the undertaking shall be under the management and control of a department or board of the county and such department or board has the power and authority under chapter 49 to issue revenue bonds under that chapter, (1) no bonds shall be authorized under this chapter for such undertaking by the governing body of the county unless such department or board by resolution shall have requested the issuance thereof, which resolution shall set forth the details regarding the proposed bond issue including the date, the maturity dates, interest payment dates, provisions for redemption prior to maturity, if any, and such other information as the department or board shall deem advisable; (2) the governing body may require that undertaking for all of the principal of and interest on such bonds, or for such part thereof as the governing body may determine, and that such rates, rentals,

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fees and charges be imposed for the use and services of the undertaking so as to produce revenue of the undertaking at least sufficient, after the costs of operation, maintenance and repair of the undertaking and the required payment into the general fund of the amounts required for such reimbursement; provided that the governing body shall not impose such requirement unless prior to the issuance of such general obligation bonds the department or board has approved the details and time of issuance and the sale of the bonds [and the interest rate or rates the bonds are to bear, which details and time shall comply with all the provisions of the resolution requesting the issuance of the proposed bond issue and the provisions of this chapter]; and (3) no pledge of the revenues of the undertaking shall be made to the payment and security of the bonds unless consented to by the department or board, and if so required by chapter 49, or by charter or by the provisions of the resolutions securing the revenue bonds issued for the undertaking, such pledge may be made by the department or board in the resolution requesting the issuance of the proposed bond issue."

SECTION 2. Statutory material to be repealed is bracketed. In printing this Act, the revisor of statutes need not include the brackets or the bracketed material.

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

(Approved May 3, 1977.)