

A Bill for an Act Relating to the Use of Moneys in the Loan Fund.

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

SECTION 1. Section 36-25, Hawaii Revised Statutes, is amended to read:

**“Sec. 36-25 Transfers to loan fund; interest.** (a) When there are excess moneys, as provided in section 36-21, the director of finance may make temporary transfers of the moneys to the loan fund for the temporary uses thereof. The total of the transfers to the loan fund shall not exceed the sum of unissued general obligation bonds of the State as authorized by the legislature. The general, special, or revolving funds shall be reimbursed from the proceeds of bond sales upon the eventual issuance and sale of the bonds.

(b) The director of finance may, in his discretion, require payment of interest on any moneys, including loan fund moneys, used to fund any expenditure as provided in any act of the legislature for which general obligation bonds have been authorized but unissued, the debt service of which is required to be repaid from revenues, user taxes or a combination of both, of the public undertaking, improvement or system. Interest shall be paid by the public undertaking, improvement or system which incurred such expenditures and shall be computed on the aggregate amount of moneys used by that public undertaking, improvement or system on a monthly basis as determined and reported by the comptroller of the State; provided that the rate of interest shall not exceed that which the State could have realized if it invested the same in time certificates of deposit. Income derived from the temporary use of moneys as provided herein shall be a realization of the general fund. Upon the eventual issuance and sale of the bonds, debt service shall be paid by the public undertaking, improvement or system as provided by law.”

**SECTION 2.** New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.\*

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

(Approved May 24, 1978.)

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\*Edited accordingly.