

**ACT 161**

**S.B. NO. 1154**

**A Bill for an Act Relating to the University of Hawaii.**

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

**SECTION 1.** Chapter 304A, Hawaii Revised Statutes, is amended by adding a new subpart to part VI to be appropriately designated and to read as follows:

## “ . University Projects and Purposes

### **§304A-A Definitions and interpretations.** Whenever used in this subpart:

“Appropriation” means moneys appropriated or allocated by the legislature to the board, the university, any university project, any university system, any network, or any combination thereof, from any revolving or special fund that consists of rates, rentals, and charges, or user taxes, which is permitted to be expended for the cost of construction, cost of maintenance, debt service on revenue bonds, or any combination thereof.

“Board” or “board of regents” means the board of regents of the University of Hawaii, which is hereby declared to be a public corporation.

“Construction” or “construct” includes acquisition, purchase, planning, construction, reconstruction, remodeling, renovation, improvement, betterment, and extension.

“Cost of construction” includes all costs and estimated costs related to construction, including but not limited to:

- (1) All costs and estimated costs of the preparation and issuance of revenue bonds and the obtaining of a loan;
- (2) Costs of land acquisition;
- (3) All costs and estimated costs related to construction of a university project, university system, network, or any combination thereof, including engineering, architectural, supervisory, inspection, fiscal, administrative, travel, and clerical fees, costs, and expenses;
- (4) Interest estimated to accrue during the construction period and for six months thereafter on money obtained by loan or through the issuance of revenue bonds;
- (5) Moneys necessary to establish or increase reserves;
- (6) Costs of utilities, equipment, fixtures, and apparatus necessary or convenient for the use and occupancy of the university project, university system, or network or any combination thereof; and
- (7) The initial furnishings of the university project, university system, or network, or any combination thereof in the determination of the board.

“Cost of maintenance” includes all costs or estimated costs of the maintenance of a university project, university system, or network or any combination thereof; including but not limited to salaries, wages, and fees of officers, employees, and contractors of the board engaged in the maintenance of a university project, university system, or network or any combination thereof, the cost of all supplies and equipment, and all operational and administrative expenses.

“CUSIP” means the numbering system adopted by the Committee for Uniform Security Identification Procedures formed by the Securities Industry Association.

“Maintenance” or “maintain” includes repairs, upkeep, replacement, renewals, maintenance, operation, and administration.

“Network” means two or more university projects, university systems, or university projects and university systems that, at the election of the board, are combined into a single network. A network may include various university projects in any one or more of the areas under the jurisdiction of the board.

“Reserves” means reserves required or permitted in the covenants in the resolution or resolutions of the board authorizing the obtaining of loans or issuance of revenue bonds under this subpart.

“Revenue bonds” means revenue bonds, interim certificates, commercial paper, notes, debentures, or other evidence of indebtedness of the board authorized by or issued under this subpart.

“Revenue of the university” means all income, receipts, revenue, and moneys of whatever nature received by the university, or that it is entitled to receive, from its ownership or operation and management of the university, including any appropriation, other than general appropriations or gifts the terms of which preclude their being used for payment of the cost of construction or cost of maintenance of a university project, a university system, or a network or any combination thereof.

“University” means the University of Hawaii, every community college established and governed by the board under this chapter, and any and every other educational institution under the jurisdiction of the board.

“University project” means any undertaking or improvement that is constructed or maintained by the university in furtherance of a university purpose. A university project includes, but is not limited to, land, fixtures, appurtenances, improvements, utilities, equipment, and furnishings necessary or convenient for the use and occupancy of a university project for the purposes for which it was constructed or is used.

“University system” means two or more university projects from which the university generates revenue of the university, other than appropriations, operated and maintained jointly as a system.

**§304A-B Powers of the board.** Notwithstanding any law to the contrary, the board may:

- (1) Designate as a university project, any undertaking, improvement, or facility on any one or more of the areas in one or more of the educational institutions under the jurisdiction of the board;
- (2) Construct and maintain university projects, including a university project included or to be in a university system;
- (3) Combine two or more university projects into a university system on one or more of the areas on any one or more of the educational institutions under the jurisdiction of the board, and to maintain the system;
- (4) Combine two or more university projects, university systems, or university projects and university systems into a network, on any one or more of the areas on any one or more of the educational institutions under the jurisdiction of the board, and to maintain the network;
- (5) Prescribe and collect rents, fees, and charges for the use of or services furnished by any university project and the facilities thereof, and pledge any appropriation to any university project and the facilities thereof that in aggregate, produces revenue of the university at least sufficient to comply with section 304A-K;
- (6) With the approval of the governor, issue revenue bonds under this subpart in such principal amount as may be authorized by the legislature from time to time to finance in whole or in part the cost of construction or the cost of maintenance of any university project, including funding reserves therefor;
- (7) Pledge to the punctual payment of revenue bonds and interest thereon, all or any part of the revenue of the university, including any appropriation, in an amount sufficient to pay the revenue bonds and interest as the same become due and to create and maintain reasonable reserves therefor;
- (8) Establish a loan program or a commercial paper program upon terms and conditions that the board may determine; and
- (9) Advance moneys of the university, not otherwise required, and do any and all other lawful acts as may be necessary, convenient, or desirable, for carrying into execution and administering this subpart.

**§304A-C Designation and authorization of university projects, university systems, networks; authorization of revenue bonds.** The designation and authorization of construction and maintenance of a university project, university system, or network, and the authorization for issuance of revenue bonds under this subpart shall be by resolution of the board by a majority of all the members of the board then in office. Any resolution may be adopted at the same meeting at which it is introduced and shall take effect immediately upon adoption.

**§304A-D Revenue bonds; details, sale, legal investment.** (a) Revenue bonds:

- (1) Shall be issued in the name of the board;
- (2) May bear interest at a rate payable at such time or times;
- (3) May be issued in one or more series;
- (4) May be in a denomination or denominations;
- (5) May bear a date or dates;
- (6) May mature at such time not exceeding fifty years from their respective dates;
- (7) May be payable in a medium of payment and at a place within or without the State;
- (8) May carry registration privileges;
- (9) May be subject to terms and conditions of redemption or to tenders for purchase or to purchase prior to the stated maturity, at the option of the board or the holder;
- (10) May contain terms, covenants, and conditions; and
- (11) May be in any form and printed in any manner, including typewritten;

as the resolution authorizing the issuance of the revenue bonds may provide.

(b) The board may acquire policies of insurance and enter into banking arrangements upon any terms and conditions that the board deems appropriate, at the time of delivery of an issue of revenue bonds or at a later date that the board deems in the best interest of the university, including but not limited to contracting for a support facility under section 304A-E, and contracting for interest rate swaps, swapations, interest rate floors, and other similar contracts to hedge or reduce the amount or duration of payment, rate, spread, or similar risk or to reduce the cost of borrowing when used in conjunction with revenue bonds issued pursuant to this subpart.

(c) The board may make appropriate arrangements for the sale of each issue of revenue bonds or part thereof as are issued pursuant to this subpart, including but not limited to arranging for the preparation and printing of the revenue bonds, the official statement, and any other documents or instruments deemed required for the issuance and sale of revenue bonds and retaining financial, accounting, and legal consultants, all upon terms and conditions as the board deems advisable and in the best interest of the State and the university. The board may offer the revenue bonds at competitive sale or may negotiate the sale of the revenue bonds to any person or group of persons, to the United States of America, or any board, agency, instrumentality, or corporation thereof, to the employees' retirement system of the State, to any political subdivision of the State, or to any board, agency, instrumentality, public corporation, or other governmental organization of the State or of any political subdivision of the State.

The sale of the revenue bonds by the board by negotiation shall be at the price and upon the terms and conditions, and the revenue bonds shall bear interest at the rate or varying rates determined from time to time in the manner, as approved by the board.

The sale of the revenue bonds by the board at competitive sale shall be at the price and upon terms and conditions, and the revenue bonds shall bear interest at the

rate or rates or varying rates determined from time to time in the manner as specified by the successful bidder. The revenue bonds shall be sold in the manner provided in section 39-55.

(d) The board may delegate the responsibility for the sale and the fixing of the terms and details of revenue bonds and such other determinations or actions, as may be provided by resolution of the board, to the chairman, the president, or another designated officer.

(e) The purpose of this subsection is to authorize any person, firm, corporation, association, political subdivision, body, or officer, public or private, to use any funds owned or controlled by them, including sinking, insurance, investment, retirement, compensation, pension, trust funds, and funds held on deposit, for the purchase of any revenue bonds issued under this subpart. All public officers and bodies of the State, all political subdivisions, all insurance companies and associations, all banks, savings banks, and savings institutions, including building or savings and loan associations, all credit unions, all trust companies, all personal representatives, guardians, trustees, and all other persons and fiduciaries in the State who are regulated by law as to the character of their investment, may legally invest funds within their control and available for investment in revenue bonds issued under this subpart.

**§304A-E Support facility for variable rate revenue bonds.** If revenue bonds issued pursuant to this subpart are issued bearing interest at a rate that varies from time to time or with a right of holders to tender the revenue bonds for purchase, or both, the board may contract for the support facility and remarketing arrangements as are required to market the revenue bonds to the greatest advantage of the board and the university upon terms and conditions that the board deems necessary and proper.

The board may enter into contracts or agreements with the entity providing a support facility; provided that any contract or agreement shall provide that any amount due and owing by the board under the contract or agreement on an annual basis shall be payable from the revenue of the university; provided further that any obligation issued or arising pursuant to the terms of the contract or agreement in the form of revenue bonds, notes, or other evidences of indebtedness shall only arise at such time as:

- (1) Moneys or securities have been irrevocably set aside for the full payment of a like principal amount of revenue bonds issued pursuant to this subpart; or
- (2) A like principal amount of the issue or series of revenue bonds to which the support facility relates are held in escrow by the entity or entities providing the support facility.

**§304A-F CUSIP identification numbers.** The board may provide that CUSIP identification numbers shall be printed on revenue bonds issued under this subpart. If numbers are printed on any such revenue bonds:

- (1) No number shall constitute a part of the contract evidenced by the particular revenue bond upon which it is printed; and
- (2) No liability shall attach to the board or any officer or agent thereof or the State or any officer thereof, including any fiscal agent, paying agent, or registrar for revenue bonds, by reason of the numbers or any use made thereof, including any use thereof made by the board or any officer or agent thereof, the State, any officer or agent thereof, or by reason of any inaccuracy, error, or omission.

The board may require that all costs of obtaining and printing the CUSIP identification numbers shall be paid by the purchaser of the revenue bonds.

**§304A-G Covenants in resolution authorizing revenue bonds.** Any resolution authorizing the issuance of revenue bonds under this subpart may contain covenants as to:

- (1) The purpose to which the proceeds of the sale of the revenue bonds may be applied; the use and disposition of the proceeds; the investment thereof pending the use and disposition; and the use and disposition of the income from the investment;
- (2) The use and disposition of the revenue of the university pledged to the payment of the revenue bonds, including the creation and maintenance of reserves; the investment of the revenues and of the moneys in the reserves; and the use and disposition of the income from the investments;
- (3) The minimum amount of revenue of the university to be produced by the university project, university system, or network or any combination thereof over and above the amount required to be produced by section 304A-K;
- (4) The use and disposition of the proceeds of the sale of any university project, university system, or network or any part thereof;
- (5) The construction or maintenance of any university project, university system, or network or any combination thereof for the construction or maintenance of which revenue bonds are issued, or any university system or network in which university projects constructed or maintained are later included;
- (6) The issuance of other or additional revenue bonds and the revenue of the university from which additional revenue bonds shall be payable;
- (7) The maintenance of the university projects, university system, or network or any combination thereof, including the creation by the board of supervisory positions, which shall not be subject to chapter 76, as are necessary to facilitate the issuance of revenue bonds to ensure the adequacy of revenue of the university;
- (8) The insurance on a university project, university system, or network or any combination thereof, and the use and disposition of insurance moneys;
- (9) Books of account and inspection and audit thereof;
- (10) A procedure by which the terms and conditions of the resolution may be subsequently amended or modified by the board with or without the consent of the holders of revenue bonds or any proportion of the holders, or any trustee thereof; and
- (11) The terms and conditions upon which the holders of revenue bonds, or any proportion of the holders, or any trustee thereof, shall be entitled to the appointment of a receiver by any court of competent jurisdiction, and the receiver may enter and take possession of the university project, university system, or network; maintain them; prescribe rents, fees, and charges; and collect, receive, and apply all revenue of the university thereafter arising therefrom in the same manner as the board itself may do; provided that the receiver shall have no power to mandate appropriations, or to use, or permit the use of, any university project, university system, or network or any combination thereof, other than in a manner consistent with and in furtherance of the purposes of the university.

This subpart and any resolution shall be deemed a contract with the holders of revenue bonds issued under this subpart. The duties of the board and any resolution shall be enforceable by any bondholder by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

**§304A-H Execution and validity of revenue bonds.** Revenue bonds issued under this subpart shall bear the manual signatures or facsimile of the signatures of the chairperson and secretary of the board, and shall be sealed with the seal of the board or in lieu thereof shall bear a facsimile of seal. If the board designates a registrar other than itself for the revenue bonds, the resolution authorizing the revenue bonds may provide that none of the revenue bonds shall be valid or obligatory for any purpose unless authenticated by the registrar. If the resolution provides, all signatures of the board upon the revenue bonds may be facsimiles of the signatures, and the revenue bonds shall be valid and obligatory only if authenticated by the manual signature of an authorized officer or signatory of the registrar. Revenue bonds bearing the signature of officers in office at the date of the signing thereof shall be valid obligations, notwithstanding that before the delivery thereof and payment therefor any or all of the persons whose signatures appear thereon shall have ceased to be officers. The validity of the bonds shall not depend on or be affected by the validity or regularity of any proceedings relating to the construction or maintenance of the university project, university system, or network for which the revenue bonds were issued. The resolution authorizing the issuance of revenue bonds may provide that the bonds shall contain a recital that they are issued pursuant to this subpart, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

**§304A-I Pledge of revenue of the university.** The resolution authorizing the issuance of revenue bonds may pledge to the payment thereof all or any part of the revenue of the university, and the pledge shall constitute a lien on revenue of the university to the extent and in the manner provided in the resolution prior and paramount to any claim or other obligation of any nature against the revenue of the university so pledged subsequently arising or incurred. The board may provide in the resolution that all revenue bonds of the same issue be equally and ratably secured without priority by reason of number, date, or maturity of the bonds, date of sale, execution, or delivery thereof. Any pledge of revenue of the university contained in any resolution adopted under this subpart shall be valid from and after the adoption of the resolution without physical delivery of the revenue of the university pledged or the necessity of any further action by the State or the board, or any officer or agent of the State or the board.

**§304A-J Payment and security of revenue bonds; revenue bonds not a debt of the State.** Revenue bonds issued under this subpart shall be payable from and secured by the revenue of the university pledged to the payment thereof, and the revenue of the university shall be applied to the payment in accordance with this subpart and the resolution authorizing the issuance of the revenue bonds. The university, or any university project, university system, or network shall constitute a public undertaking, improvement, or system, and any appropriation shall constitute revenue of the university under the constitution and laws of the State. No holder of any revenue bonds issued under this subpart may compel any exercise of the taxing power of the State or the making of any appropriation to pay the revenue bonds, or interest thereon. Each revenue bond shall recite in substance that the revenue bond, including interest thereon, is payable from and secured by the revenue of the university pledged to the payment thereof, and that the revenue bond does not constitute a general or moral obligation or indebtedness of the State within the meaning of any law.

**§304A-K Imposition of rates, rents, fees, and charges; pledge, allocation of appropriation.** (a) The board shall impose and collect rates, rents, fees, and charges for the use or enjoyment and services of the facilities of each university

project, and shall revise rates, rents, fees, and charges whenever necessary, or allocate all or any portion of appropriation for each university project, so that, in aggregate, the revenue of the university with respect to all university projects, university systems, or networks shall produce revenue of the university at least sufficient:

- (1) To pay the cost of maintenance of all university projects, university systems, or networks or any combination thereof, including reserves therefor;
- (2) To pay when due all revenue bonds and interest thereon, for the payment of which all or any part of the revenue of the university is or has been pledged, charged, or otherwise encumbered, including reserves therefor;
- (3) To reimburse the general fund of the State for principal and interest on general obligation bonds issued for university projects, university systems, or networks or any combination thereof, or to refund general obligation bonds, to the extent required by law; and
- (4) To carry out all covenants and provisions of the resolution authorizing the issuance of revenue bonds.

(b) Nothing in this subpart shall preclude the making of appropriations to the university or board, including any appropriation, or the acceptance of gifts by the board or the use of funds derived from the sale of stocks, bonds, or other assets in the possession of the board to pay all or part of the cost of construction or maintenance of any or all university projects, university systems, or networks.

**§304A-L Revenue bond anticipation notes.** In anticipation of the issuance under this subpart of revenue bonds and of the receipt of the proceeds of sale of revenue bonds, the board may issue and sell, without further authorization or approval, bond anticipation notes for the purposes for which the revenue bonds have been authorized, the maximum principal amount of which notes shall not exceed the authorized principal amount of the revenue bonds. The notes shall be payable from and secured by the proceeds of the sale of the bonds in anticipation of which the notes are issued, or the revenues of the university from which would be payable and by which the revenue bonds would be secured, or any combination thereof; provided that to the extent the principal of the notes is paid from moneys other than the proceeds of sale of the revenue bonds, the maximum amount of revenue bonds in anticipation of which the notes are issued that has been authorized shall be reduced by the amount of the notes paid in such manner. The issuance of the notes and the details thereof shall be governed by this subpart with respect to revenue bonds insofar as applicable; provided that:

- (1) Each note, together with all renewals and extensions thereof, or refunds thereof by other notes issued under this section, shall mature within five years from the date of the original note; and
- (2) The notes may be sold at public or private sale, as the board may determine.

**§304A-M University project, university system, networks, and revenue bonds exempt from taxation.** The revenue of the university and the property of any university project, university system, or network shall be exempt from all taxation and assessments by the State or any county or other political subdivision thereof. Revenue bonds issued under this subpart and all income therefrom shall be exempt from all taxation by the State or any county or other political subdivision thereof, except inheritance, transfer, and estate taxes.



**§304A-N Powers additional to other powers.** The powers conferred by this subpart shall be in addition and supplemental to the powers conferred by any other law concerning any university project, university system, or network or any combination thereof, or the issuance of revenue bonds. Revenue bonds may be issued pursuant to this subpart for those purposes notwithstanding that any other law may provide for the acquisition, purchase, construction, reconstruction, improvement, betterment, or extension of a like undertaking or the establishment, maintenance, or extension of a like university project, university system, or network or any combination thereof, or the issuance of revenue bonds, without regard to the requirements, restrictions, limitations, or other provisions contained in any other law. Except as expressly provided in any other law, this subpart shall control.

**§304A-O Refunding revenue bonds; authorization and purpose.** (a) The board, without further authorization or approval of the legislature, but with the approval of the governor, may provide for the issuance of revenue bonds (herein referred to as refunding bonds) for the purpose of refunding, redeeming, or retiring at or at any time before maturity or at any time before the first date upon which the outstanding revenue bonds to be refunded may be called for redemption, any revenue bonds issued under this subpart, including any revenue bonds that the holders may consent to be paid or refunded even though the revenue bonds are not matured or are not callable or redeemable, and for the purpose of funding indebtedness not evidenced by revenue bonds but that was incurred for purposes for which revenue bonds may be issued pursuant to this subpart. The rate of interest borne by the refunding bonds shall not be affected or limited by the rate of interest borne by the revenue bonds to be refunded or the indebtedness to be funded.

All provisions of this subpart applicable to the issuance of revenue bonds shall be complied with in the issuance of refunding bonds. Refunding bonds shall be sold as provided in section 304A-D, or the board may provide for the exchange of refunding bonds for a like principal amount of outstanding revenue bonds for the refunding of which the issuance of the refunding bonds has been authorized, whether or not the interest rate on the refunding bonds is higher than the interest rate on the bonds refunded.

(b) Refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all revenue bonds or indebtedness to be funded or refunded, and for the payment of all expenses paid or incurred in connection with the calling, redeeming, retiring, or paying of indebtedness or outstanding revenue bonds, and the issuance of refunding bonds. The expenses may include the amount necessary for the payment of interest upon the indebtedness to be funded or the revenue bonds to be refunded to the maturity or redemption date thereof, the amount necessary for the payment of interest upon the refunding bonds from the date of delivery thereof to the date upon which the principal of the outstanding revenue bonds to be refunded will be paid whether at maturity or pursuant to a call for redemption thereof, or pursuant to agreement with the holders thereof, plus in any case the amount of any premium required to be paid to call or retire the revenue bonds.

**§304A-P Fiscal agents.** The director of finance of the State, when requested by the board, shall render full and complete assistance to the board in the preparation and sale of revenue bonds issued pursuant to this subpart. The director of finance shall be the fiscal agent of the board for the payment of all principal and interest, and for the transfer, of revenue bonds. Sections 36-3 and 39-12 shall apply to this subpart. The director of finance shall set up in the treasury of the State suitable accounts for:

- (1) Deposit of all revenues of university projects, university systems, or networks and for the payment of all revenue bonds and the interest thereon;
- (2) Deposit of all other payments provided or required by this subpart, or any resolution or resolutions of the board; and
- (3) Holding of all reserves created under this subpart, or pursuant to any resolution of the board.

**§304A-Q Validation of proceedings.** All proceedings taken with respect to the contracting of revenue bonded indebtedness and the issuance, sale, execution, and delivery of revenue bonds by the board are deemed validated, ratified, approved, and confirmed, notwithstanding any defects or irregularities in any proceedings or in the issuance, execution, sale, or delivery. The revenue bonds so issued or to be issued are and shall be valid obligations of the board.

**§304A-R Limitation of authority.** Notwithstanding any law to the contrary, nothing in this subpart shall be construed to authorize the board to incur any indebtedness contrary to the State Constitution or to incur any indebtedness that would be required to be included in the calculation of the total indebtedness of the State.

**§304A-S Annual report.** The University of Hawaii shall submit a report to the legislature, no later than twenty days prior to the convening of each regular session, of all revenue bonds issued pursuant to this subpart. The report shall provide a summary of all revenue bonds issued pursuant to this subpart during the preceding fiscal year.”

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to part V, subpart C, to be appropriately designated and to read as follows:

**“§304A- University revenue-undertakings fund.** (a) There is established a special fund for the University of Hawaii to be known as the university revenue-undertakings fund into which all revenue of the university under subpart of part VI, including any appropriation allocated pursuant to this section received from, or related to, university projects, university systems, or networks or any combination thereof, constructed or maintained by the board under subpart of part VI shall be deposited. At the direction of the board, there may be established accounts in the university revenue-undertakings fund as required by the resolution authorizing revenue bonds.

If revenue bonds are issued under subpart of part VI payable from the revenue of a university parking facility or the revenue of a university system that includes a university parking facility, the board in the resolution authorizing revenue bonds may direct that all or any part of the moneys required by this chapter to be paid into the university parking revolving fund created by section 304A-2275 shall be deposited in the university revenue-undertakings fund in lieu of being deposited in the university parking revolving fund.

(b) All moneys in the university revenue-undertakings fund shall be applied in accordance with the resolution of the board authorizing the issuance of revenue bonds under subpart of part VI, as follows:

- (1) To provide for all costs of construction, operation, repair, and maintenance of a university project, university system, network, or any combination thereof, including reserves therefor;

- (2) To pay when due all revenue bonds and interest thereon, for the payment of which all or any part of the revenue of the university is or has been pledged, charged, or otherwise encumbered, including reserves therefor;
- (3) To reimburse the university for all moneys advanced to pay the expenses incurred in making the preparation for the initial issuance of revenue bonds under subpart      of part VI;
- (4) To reimburse the general fund of the State for principal and interest on general obligation bonds issued for all university projects, university systems, networks, or any combination thereof, or issued to refund any of such general obligation bonds, to the extent required by law; and
- (5) To provide a reserve for betterments and improvements to and renewals and replacements of, university projects, university systems, networks, or any combination thereof.

If adequate provision is made for all the foregoing purposes, and if permitted by law and the covenants in the resolution authorizing the issuance of revenue bonds under subpart      of part VI, any moneys remaining in the university revenue-undertakings fund at the end of a fiscal year may be expended by the board in subsequent years in furtherance of any of the purposes of the university.

(c) The following terms used in this section shall be as defined in section 304A-A: “appropriation”, “board”, “construction”, “cost of construction”, “cost of maintenance”, “maintenance”, “network”, “reserves”, “revenue bonds”, “revenue of the university”, “university project”, and “university system”.”

SECTION 3. Section 304A-2167, Hawaii Revised Statutes, is repealed.

SECTION 4. Chapter 304A, part VI, subpart A, Hawaii Revised Statutes, is repealed.

SECTION 5. On the effective date of this Act, all moneys deposited in the university revenue-undertakings fund established pursuant to section 304A-2167, Hawaii Revised Statutes, and any encumbrances thereon shall be transferred to the university revenue-undertakings fund established pursuant to section 2 of this Act.

SECTION 6. The board of regents of the University of Hawaii, with the approval of the governor, is authorized to issue revenue bonds from time to time to finance, in whole or in part, the costs of construction or the costs of maintenance of any university project, including reserves therefor as the board of regents may direct. The total principal amount of the revenue bonds authorized by this Act shall not exceed \$100,000,000; provided that neither revenue bonds issued to refund revenue bonds heretofore issued, to the extent that such refunding revenue bonds do not exceed the principal amount of the revenue bonds being refunded, nor revenue bonds of the board outstanding at the effective date of this Act shall cause the amount of the above authorization to be decreased. The revenue bonds shall be issued pursuant to the provisions of part VI of chapter 304A, Hawaii Revised Statutes. The principal and interest on the revenue bonds, to the extent not paid from the proceeds of such bonds, shall be paid solely from and secured solely by the revenue of the university as defined in section 304A-A, Hawaii Revised Statutes.

SECTION 7. There is appropriated out of the revenue bond proceeds authorized by this Act the sum of \$100,000,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the same sum or so much thereof as may be necessary for fiscal year 2008-2009 to carry out the purposes of section 6.

The sums appropriated shall be expended by the board of regents of the University of Hawaii.

SECTION 8. In codifying this Act, the revisor of statutes shall substitute appropriate section numbers for the section designations used in this Act.

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 10. This Act shall take effect on July 1, 2007.

(Approved June 8, 2007.)

**Note**

1. Edited pursuant to HRS §23G-16.5.