

ACT 231

H.B. NO. 2347

A Bill for an Act Relating to General Obligation Bonds for Revenue-Producing Undertakings.

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

SECTION 1. Section 47-4, Hawaii Revised Statutes, is amended to read as follows:

“§47-4 Bonds for revenue-producing undertakings. General obligation bonds may be issued under this chapter for an undertaking or loan program as defined in section 49-1 or for any other undertaking or purpose for which the bonds are authorized to be issued by other provisions of general law. The 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 under-

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taking, loan program, or other purpose for all of the principal of and interest on the bonds, or for such part hereof as the governing body may determine, and may further provide that the bonds shall be additionally secured by a pledge of the revenue of the undertaking, loan program, or other purpose, subject to the rights of the holders of any bonds then outstanding and the provisions of the ordinances or resolutions authorizing the outstanding bonds. The county may covenant with the holders of the bonds additionally secured by a pledge of such revenues that it will continue to impose and collect such revenues in amounts at least sufficient to provide for the payment of the principal and interest on the bonds to the extent authorized or permitted by law. Whenever the undertaking, loan program, or other enterprise shall be under the management and control of a department or board of the county and the department or board has the power and authority under chapter 49 to issue revenue bonds under that chapter, no bonds shall be authorized under this chapter for that undertaking by the governing body of the county unless the department or board shall have requested the issuance thereof by resolution and no pledge of the revenue of the undertaking shall be made to the payment and security of the bonds unless consented to by the department or board by resolution, and the pledge may be made by the department or board in the resolution requesting the issuance of the proposed bond issue and consenting to the pledge. A county may reserve the right to issue subsequent general obligation bonds equally and additionally secured by a pledge of the revenues of an undertaking, loan program, or other purpose.

General obligation bonds may also be issued under this chapter for any purpose authorized by section 47-3 additionally secured by a pledge of one or more specific categories of receipts not covered by the preceding paragraph of this section (which may include, without limitation, any rates, rentals, fees, charges, taxes, state or federal grants or other receipts) that are not derived from an undertaking or loan program for which the bonds are issued, as the governing body may determine, subject to the rights of the holders of any bonds then outstanding and the provisions of the ordinances or resolutions authorizing the outstanding bonds. The 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 receipts, for all of the principal of and interest on the bonds, or for any part hereof as the governing body may determine. Whenever the receipts to be pledged shall be under the management and control of a department or board of the county, no bonds shall be authorized under this chapter additionally secured by a pledge of the receipts, unless:

- (1) The department or board shall have requested the issuance thereof by resolution; and
- (2) The pledge of receipts has been consented to by the department or board by resolution; provided that the pledge may be made by the department or board in the same resolution.

The county may covenant with the holders of the bonds additionally secured by a pledge of such other receipts that it will continue to impose and collect the receipts in amounts at least sufficient to provide for the payment of the principal and interest on the bonds to the extent authorized or permitted by law. A county may reserve the right to issue subsequent general obligation bonds equally and additionally secured by a pledge of such receipts."

SECTION 2. New statutory material is underscored.

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

(Approved July 5, 2012.)