S.B. NO. ¹¹⁵⁴ S.D. 2 H.D. 2 C.D. 1

1

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

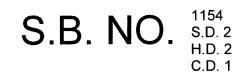
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Chapter 304A, Hawaii Revised Statutes, is
2	amended by adding a new subpart to part VI to be appropriately
3	designated and to read as follows:
4	" . University Projects and Purposes
5	§304A-A Definitions and interpretations. Whenever used in
6	this subpart:
7	"Appropriation" means moneys appropriated or allocated by
8	the legislature to the board, the university, any university
9	project, any university system, any network, or any combination
10	thereof, from any revolving or special fund that consists of
11	rates, rentals, and charges, or user taxes, which is permitted
12	to be expended for the cost of construction, cost of
13	maintenance, debt service on revenue bonds, or any combination
14	thereof.
15	"Board" or "board of regents" means the board of regents of

16 the University of Hawaii, which is hereby declared to be a

17 public corporation.

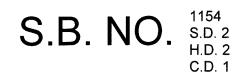




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1	"Con	struction" or "construct" includes acquisition,
2	purchase,	planning, construction, reconstruction, remodeling,
3	renovation	n, improvement, betterment, and extension.
4	"Cos	t of construction" includes all costs and estimated
5	costs rela	ated to construction, including but not limited to:
6	(1)	All costs and estimated costs of the preparation and
7		issuance of revenue bonds and the obtaining of a loan;
8	(2)	Costs of land acquisition;
9	(3)	All costs and estimated costs related to construction
10		of a university project, university system, network,
11		or any combination thereof, including engineering,
12		architectural, supervisory, inspection, fiscal,
13		administrative, travel, and clerical fees, costs, and
14		expenses;
15	(4)	Interest estimated to accrue during the construction
16		period and for six months thereafter on money obtained
17		by loan or through the issuance of revenue bonds;
18	(5)	Moneys necessary to establish or increase reserves;
19	(6)	Costs of utilities, equipment, fixtures, and apparatus
20		necessary or convenient for the use and occupancy of
21		the university project, university system, or network
22		or any combination thereof; and
		$(D_1) = (D_1) (D_1) (D_2)$





1	(7) The initial furnishings of the university project,
2	university system, or network, or any combination
3	thereof in the determination of the board.
4	"Cost of maintenance" includes all costs or estimated costs
5	of the maintenance of a university project, university system,
6	or network or any combination thereof; including but not limited
7	to salaries, wages, and fees of officers, employees, and
8	contractors of the board engaged in the maintenance of a
9	university project, university system, or network or any
10	combination thereof, the cost of all supplies and equipment, and
11	all operational and administrative expenses.
12	"CUSIP" means the numbering system adopted by the Committee
13	for Uniform Security Identification Procedures formed by the
14	Securities Industry Association.
15	"Maintenance" or "maintain" includes repairs, upkeep,
16	replacement, renewals, maintenance, operation, and
17	administration.
18	"Network" means two or more university projects, university
19	systems, or university projects and university systems that, at
20	the election of the board, are combined into a single network.
21	A network may include various university projects in any one or
22	more of the areas under the jurisdiction of the board.
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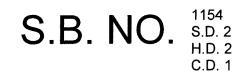


"Reserves" means reserves required or permitted in the
 covenants in the resolution or resolutions of the board
 authorizing the obtaining of loans or issuance of revenue bonds
 under this subpart.

5 "Revenue bonds" means revenue bonds, interim certificates,
6 commercial paper, notes, debentures, or other evidence of
7 indebtedness of the board authorized by or issued under this
8 subpart.

"Revenue of the university" means all income, receipts, 9 revenue, and moneys of whatever nature received by the 10 university, or that it is entitled to receive, from its 11 12 ownership or operation and management of the university, including any appropriation, other than general appropriations 13 or gifts the terms of which preclude their being used for 14 payment of the cost of construction or cost of maintenance of a 15 university project, a university system, or a network or any 16 17 combination thereof.

18 "University" means the University of Hawaii, every 19 community college established and governed by the board under 20 this chapter, and any and every other educational institution 21 under the jurisdiction of the board.

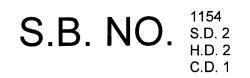


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1	"Uni	versity project" means any undertaking or improvement
2	that is c	onstructed or maintained by the university in
3	furtheran	ce of a university purpose. A university project
4	includes,	but is not limited to, land, fixtures, appurtenances,
5	improveme	nts, utilities, equipment, and furnishings necessary or
6	convenien	t for the use and occupancy of a university project for
7	the purpo	ses for which it was constructed or is used.
8	"Uni	versity system" means two or more university projects
9	from whic	h the university generates revenue of the university,
10	other than	n appropriations, operated and maintained jointly as a
11	system.	
12	§3042	A-B Powers of the board. Notwithstanding any law to
13	the contra	ary, the board may:
14	(1)	Designate as a university project, any undertaking,
15		improvement, or facility on any one or more of the
16		areas in one or more of the educational institutions
17		under the jurisdiction of the board;
18	(2)	Construct and maintain university projects, including
19		a university project included or to be in a university
20		system;
21	(2)	Combine two or more university projects into a

21 (3) Combine two or more university projects into a
22 university system on one or more of the areas on any



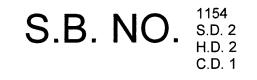


one or more of the educational institutions under the 1 jurisdiction of the board, and to maintain the system; 2 Combine two or more university projects, university 3 (4) 4 systems, or university projects and university systems 5 into a network, on any one or more of the areas on any one or more of the educational institutions under the 6 7 jurisdiction of the board, and to maintain the 8 network; Prescribe and collect rents, fees, and charges for the 9 (5) use of or services furnished by any university project 10 and the facilities thereof, and pledge any 11 appropriation to any university project and the 12 facilities thereof that in aggregate, produces revenue 13 of the university at least sufficient to comply with 14 section 304A-K; 15 With the approval of the governor, issue revenue bonds 16 (6) under this subpart in such principal amount as may be 17 authorized by the legislature from time to time to 18 finance in whole or in part the cost of construction 19 or the cost of maintenance of any university project, 20 21 including funding reserves therefor;

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1	(7)	Pledge to the punctual payment of revenue bonds and
2		interest thereon, all or any part of the revenue of
3		the university, including any appropriation, in an
4		amount sufficient to pay the revenue bonds and
5		interest as the same become due and to create and
6		maintain reasonable reserves therefor;
7	(8)	Establish a loan program or a commercial paper program
8		upon terms and conditions that the board may
9		determine; and
10	(9)	Advance moneys of the university, not otherwise
11		required, and do any and all other lawful acts as may
12		be necessary, convenient, or desirable, for carrying
13		into execution and administering this subpart.
14	§304.	A-C Designation and authorization of university
15	projects,	university systems, networks; authorization of revenue
16	bonds. T	he designation and authorization of construction and
17	maintenan	ce of a university project, university system, or
18	network, a	and the authorization for issuance of revenue bonds
19	under this	s subpart shall be by resolution of the board by a
20	majority o	of all the members of the board then in office. Any
21	resolution	n may be adopted at the same meeting at which it is
22	introduce	d and shall take effect immediately upon adoption.
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1		§304.	A-D Revenue bonds; details, sale, legal investment.
2	(a)	Reve	nue bonds:
3		(1)	Shall be issued in the name of the board;
4		(2)	May bear interest at a rate payable at such time or
5			times;
6		(3)	May be issued in one or more series;
7		(4)	May be in a denomination or denominations;
8		(5)	May bear a date or dates;
9		(6)	May mature at such time not exceeding fifty years from
10			their respective dates;
11		(7)	May be payable in a medium of payment and at a place
12			within or without the State;
13		(8)	May carry registration privileges;
14		(9)	May be subject to terms and conditions of redemption
15			or to tenders for purchase or to purchase prior to the
16			stated maturity, at the option of the board or the
17			holder;
18		(10)	May contain terms, covenants, and conditions; and
19	((11)	May be in any form and printed in any manner,
20			including typewritten;
21	as tl	ne re	solution authorizing the issuance of the revenue bonds

22 may provide.

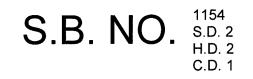




1 The board may acquire policies of insurance and enter (b) 2 into banking arrangements upon any terms and conditions that the board deems appropriate, at the time of delivery of an issue of 3 4 revenue bonds or at a later date that the board deems in the 5 best interest of the university, including but not limited to 6 contracting for a support facility under section 304A-E, and 7 contracting for interest rate swaps, swapations, interest rate 8 floors, and other similar contracts to hedge or reduce the amount or duration of payment, rate, spread, or similar risk or 9 to reduce the cost of borrowing when used in conjunction with 10 revenue bonds issued pursuant to this subpart. 11

The board may make appropriate arrangements for the 12 (C) sale of each issue of revenue bonds or part thereof as are 13 issued pursuant to this subpart, including but not limited to 14 arranging for the preparation and printing of the revenue bonds, 15 the official statement, and any other documents or instruments 16 deemed required for the issuance and sale of revenue bonds and 17 retaining financial, accounting, and legal consultants, all upon 18 terms and conditions as the board deems advisable and in the 19 best interest of the State and the university. The board may 20 offer the revenue bonds at competitive sale or may negotiate the 21 sale of the revenue bonds to any person or group of persons, to 22





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1 the United States of America, or any board, agency,
2 instrumentality, or corporation thereof, to the employees'
3 retirement system of the State, to any political subdivision of
4 the State, or to any board, agency, instrumentality, public
5 corporation, or other governmental organization of the State or
6 of any political subdivision of the State.

7 The sale of the revenue bonds by the board by negotiation 8 shall be at the price and upon the terms and conditions, and the 9 revenue bonds shall bear interest at the rate or varying rates 10 determined from time to time in the manner, as approved by the 11 board.

12 The sale of the revenue bonds by the board at competitive 13 sale shall be at the price and upon terms and conditions, and 14 the revenue bonds shall bear interest at the rate or rates or 15 varying rates determined from time to time in the manner as 16 specified by the successful bidder. The revenue bonds shall be 17 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.



1 (e) The purpose of this subsection is to authorize any person, firm, corporation, association, political subdivision, 2 body, or officer, public or private, to use any funds owned or 3 controlled by them, including sinking, insurance, investment, 4 retirement, compensation, pension, trust funds, and funds held 5 on deposit, for the purchase of any revenue bonds issued under 6 this subpart. All public officers and bodies of the State, all 7 political subdivisions, all insurance companies and 8 associations, all banks, savings banks, and savings 9 institutions, including building or savings and loan 10 associations, all credit unions, all trust companies, all 11 personal representatives, guardians, trustees, and all other 12 persons and fiduciaries in the State who are regulated by law as 13 to the character of their investment, may legally invest funds 14 within their control and available for investment in revenue 15 bonds issued under this subpart. 16

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17 §304A-E Support facility for variable rate revenue bonds.
18 If revenue bonds issued pursuant to this subpart are issued
19 bearing interest at a rate that varies from time to time or with
20 a right of holders to tender the revenue bonds for purchase, or
21 both, the board may contract for the support facility and
22 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.

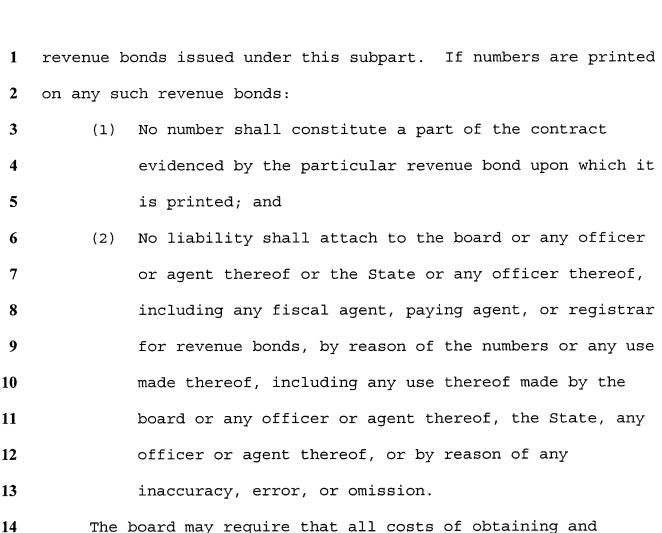
The board may enter into contracts or agreements with the 4 entity providing a support facility; provided that any contract 5 or agreement shall provide that any amount due and owing by the 6 7 board under the contract or agreement on an annual basis shall be payable from the revenue of the university; provided further 8 that any obligation issued or arising pursuant to the terms of 9 10 the contract or agreement in the form of revenue bonds, notes, or other evidences of indebtedness shall only arise at such time 11 12 as:

Moneys or securities have been irrevocably set aside 13 (1) for the full payment of a like principal amount of 14 revenue bonds issued pursuant to this subpart; or 15 A like principal amount of the issue or series of 16 (2) revenue bonds to which the support facility relates 17 are held in escrow by the entity or entities providing 18 19 the support facility.

20 §304A-F CUSIP identification numbers. The board may
21 provide that CUSIP identification numbers shall be printed on

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15 printing the CUSIP identification numbers shall be paid by the 16 purchaser of the revenue bonds.

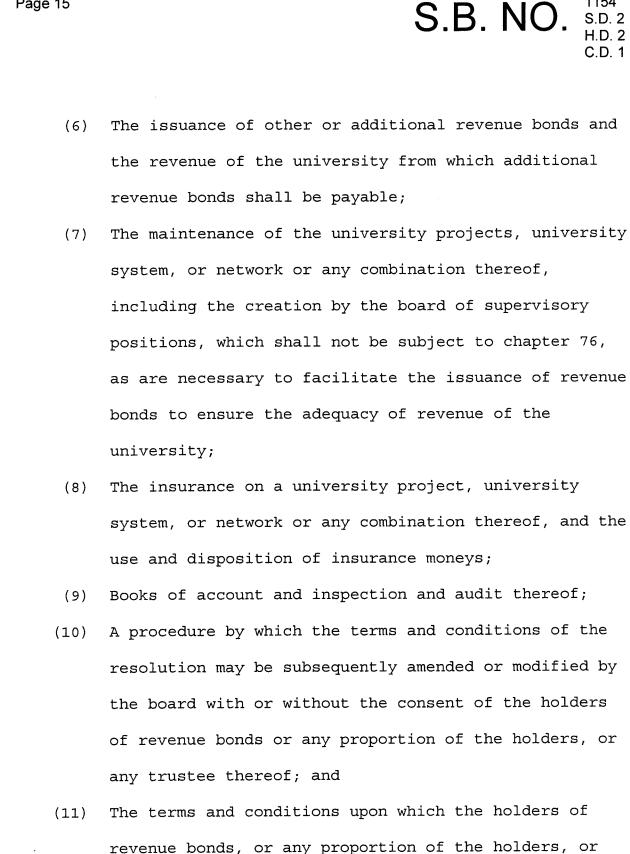
17 §304A-G Covenants in resolution authorizing revenue bonds.
18 Any resolution authorizing the issuance of revenue bonds under
19 this subpart may contain covenants as to:

20 (1) The purpose to which the proceeds of the sale of the
21 revenue bonds may be applied; the use and disposition
22 of the proceeds; the investment thereof pending the



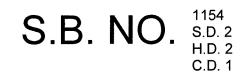
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1		use and disposition; and the use and disposition of
2		the income from the investment;
3	(2)	The use and disposition of the revenue of the
4		university pledged to the payment of the revenue
5		bonds, including the creation and maintenance of
6		reserves; the investment of the revenues and of the
7		moneys in the reserves; and the use and disposition of
8		the income from the investments;
9	(3)	The minimum amount of revenue of the university to be
10		produced by the university project, university system,
11		or network or any combination thereof over and above
12		the amount required to be produced by section 304A-K;
13	(4)	The use and disposition of the proceeds of the sale of
14		any university project, university system, or network
15		or any part thereof;
16	(5)	The construction or maintenance of any university
17		project, university system, or network or any
18		combination thereof for the construction or
19		maintenance of which revenue bonds are issued, or any
20		university system or network in which university
21		projects constructed or maintained are later included;



any trustee thereof, shall be entitled to the





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appointment of a receiver by any court of competent 1 jurisdiction, and the receiver may enter and take 2 3 possession of the university project, university system, or network; maintain them; prescribe rents, 4 fees, and charges; and collect, receive, and apply all 5 revenue of the university thereafter arising therefrom 6 7 in the same manner as the board itself may do; 8 provided that the receiver shall have no power to mandate appropriations, or to use, or permit the use 9 10 of, any university project, university system, or 11 network or any combination thereof, other than in a manner consistent with and in furtherance of the 12 13 purposes of the university.

14 This subpart and any resolution shall be deemed a contract 15 with the holders of revenue bonds issued under this subpart. 16 The duties of the board and any resolution shall be enforceable 17 by any bondholder by mandamus or other appropriate suit, action, 18 or proceeding in any court of competent jurisdiction.

19 §304A-H Execution and validity of revenue bonds. Revenue
20 bonds issued under this subpart shall bear the manual signatures
21 or facsimile of the signatures of the chairperson and secretary
22 of the board, and shall be sealed with the seal of the board or





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1 in lieu thereof shall bear a facsimile of seal. If the board designates a registrar other than itself for the revenue bonds, 2 3 the resolution authorizing the revenue bonds may provide that 4 none of the revenue bonds shall be valid or obligatory for any purpose unless authenticated by the registrar. If the 5 resolution provides, all signatures of the board upon the 6 revenue bonds may be facsimiles of the signatures, and the 7 revenue bonds shall be valid and obligatory only if 8 authenticated by the manual signature of an authorized officer 9 or signatory of the registrar. Revenue bonds bearing the 10 signature of officers in office at the date of the signing 11 thereof shall be valid obligations, notwithstanding that before 12 the delivery thereof and payment therefor any or all of the 13 persons whose signatures appear thereon shall have ceased to be 14 officers. The validity of the bonds shall not depend on or be 15 affected by the validity or regularity of any proceedings 16 relating to the construction or maintenance of the university 17 project, university system, or network for which the revenue 18 bonds were issued. The resolution authorizing the issuance of 19 revenue bonds may provide that the bonds shall contain a recital 20 that they are issued pursuant to this subpart, which recital 21

shall be conclusive evidence of their validity and of the
 regularity of their issuance.

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§304A-I Pledge of revenue of the university. 3 The resolution authorizing the issuance of revenue bonds may pledge 4 to the payment thereof all or any part of the revenue of the 5 university, and the pledge shall constitute a lien on revenue of 6 the university to the extent and in the manner provided in the 7 resolution prior and paramount to any claim or other obligation 8 9 of any nature against the revenue of the university so pledged subsequently arising or incurred. The board may provide in the 10 resolution that all revenue bonds of the same issue be equally 11 and ratably secured without priority by reason of number, date, 12 or maturity of the bonds, date of sale, execution, or delivery 13 thereof. Any pledge of revenue of the university contained in 14 any resolution adopted under this subpart shall be valid from 15 and after the adoption of the resolution without physical 16 delivery of the revenue of the university pledged or the 17 necessity of any further action by the State or the board, or 18 any officer or agent of the State or the board. 19

20 §304A-J Payment and security of revenue bonds; revenue
21 bonds not a debt of the State. Revenue bonds issued under this
22 subpart shall be payable from and secured by the revenue of the





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university pledged to the payment thereof, and the revenue of 1 the university shall be applied to the payment in accordance 2 with this subpart and the resolution authorizing the issuance of 3 the revenue bonds. The university, or any university project, 4 university system, or network shall constitute a public 5 undertaking, improvement, or system, and any appropriation shall 6 constitute revenue of the university under the constitution and 7 laws of the State. No holder of any revenue bonds issued under 8 this subpart may compel any exercise of the taxing power of the 9 State or the making of any appropriation to pay the revenue 10 bonds, or interest thereon. Each revenue bond shall recite in 11 substance that the revenue bond, including interest thereon, is 12 payable from and secured by the revenue of the university 13 pledged to the payment thereof, and that the revenue bond does 14 not constitute a general or moral obligation or indebtedness of 15 the State within the meaning of any law. 16

17 §304A-K Imposition of rates, rents, fees, and charges;
18 pledge, allocation of appropriation. (a) The board shall
19 impose and collect rates, rents, fees, and charges for the use
20 or enjoyment and services of the facilities of each university
21 project, and shall revise rates, rents, fees, and charges
22 whenever necessary, or allocate all or any portion of





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appropriation for each university project, so that, in 1 2 aggregate, the revenue of the university with respect to all 3 university projects, university systems, or networks shall 4 produce revenue of the university at least sufficient: 5 To pay the cost of maintenance of all university (1)6 projects, university systems, or networks or any 7 combination thereof, including reserves therefor; 8 (2)To pay when due all revenue bonds and interest thereon, for the payment of which all or any part of 9 the revenue of the university is or has been pledged, 10 charged, or otherwise encumbered, including reserves 11 12 therefor; To reimburse the general fund of the State for 13 (3)

13 (3) To reimburse the general rund of the brate for 14 principal and interest on general obligation bonds 15 issued for university projects, university systems, or 16 networks or any combination thereof, or to refund 17 general obligation bonds, to the extent required by 18 law; and

19 (4) To carry out all covenants and provisions of the
20 resolution authorizing the issuance of revenue bonds.
21 (b) Nothing in this subpart shall preclude the making of
22 appropriations to the university or board, including any

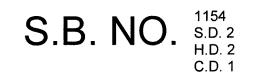


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appropriation, or the acceptance of gifts by the board or the
 use of funds derived from the sale of stocks, bonds, or other
 assets in the possession of the board to pay all or part of the
 cost of construction or maintenance of any or all university
 projects, university systems, or networks.

§304A-L Revenue bond anticipation notes. In anticipation 6 of the issuance under this subpart of revenue bonds and of the 7 receipt of the proceeds of sale of revenue bonds, the board may 8 issue and sell, without further authorization or approval, bond 9 anticipation notes for the purposes for which the revenue bonds 10 11 have been authorized, the maximum principal amount of which notes shall not exceed the authorized principal amount of the 12 revenue bonds. The notes shall be payable from and secured by 13 the proceeds of the sale of the bonds in anticipation of which 14 the notes are issued, or the revenues of the university from 15 which would be payable and by which the revenue bonds would be 16 secured, or any combination thereof; provided that to the extent 17 the principal of the notes is paid from moneys other than the 18 19 proceeds of sale of the revenue bonds, the maximum amount of revenue bonds in anticipation of which the notes are issued that 20 has been authorized shall be reduced by the amount of the notes 21 The issuance of the notes and the details 22 paid in such manner.





1	thereof shall be governed by this subpart with respect to
2	revenue bonds insofar as applicable; provided that:
3	(1) Each note, together with all renewals and extensions
4	thereof, or refunds thereof by other notes issued
5	under this section, shall mature within five years
6	from the date of the original note; and
7	(2) The notes may be sold at public or private sale, as
8	the board may determine.
9	§304A-M University project, university system, networks,
10	and revenue bonds exempt from taxation. The revenue of the
11	university and the property of any university project,
12	university system, or network shall be exempt from all taxation
13	and assessments by the State or any county or other political
14	subdivision thereof. Revenue bonds issued under this subpart
15	and all income therefrom shall be exempt from all taxation by
16	the State or any county or other political subdivision thereof,
17	except inheritance, transfer, and estate taxes.
18	§304A-N Powers additional to other powers. The powers
19	conferred by this subpart shall be in addition and supplemental
20	to the powers conferred by any other law concerning any
21	university project, university system, or network or any
22	combination thereof, or the issuance of revenue bonds. Revenue
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1 bonds may be issued pursuant to this subpart for those purposes 2 notwithstanding that any other law may provide for the acquisition, purchase, construction, reconstruction, 3 improvement, betterment, or extension of a like undertaking or 4 the establishment, maintenance, or extension of a like 5 university project, university system, or network or any 6 combination thereof, or the issuance of revenue bonds, without 7 8 regard to the requirements, restrictions, limitations, or other 9 provisions contained in any other law. Except as expressly 10 provided in any other law, this subpart shall control.

11 §304A-O Refunding revenue bonds; authorization and 12 (a) The board, without further authorization or purpose. 13 approval of the legislature, but with the approval of the governor, may provide for the issuance of revenue bonds (herein 14 15 referred to as refunding bonds) for the purpose of refunding, redeeming, or retiring at or at any time before maturity or at 16 any time before the first date upon which the outstanding 17 revenue bonds to be refunded may be called for redemption, any 18 19 revenue bonds issued under this subpart, including any revenue bonds that the holders may consent to be paid or refunded even 20 though the revenue bonds are not matured or are not callable or 21 redeemable, and for the purpose of funding indebtedness not 22





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 6 of revenue bonds shall be complied with in the issuance of 7 refunding bonds. Refunding bonds shall be sold as provided in 8 9 section 304A-D, or the board may provide for the exchange of refunding bonds for a like principal amount of outstanding 10 revenue bonds for the refunding of which the issuance of the 11 refunding bonds has been authorized, whether or not the interest 12 rate on the refunding bonds is higher than the interest rate on 13 the bonds refunded. 14

Refunding bonds may be issued in a principal amount 15 (b) sufficient to provide funds for the payment of all revenue bonds 16 or indebtedness to be funded or refunded, and for the payment of 17 all expenses paid or incurred in connection with the calling, 18 redeeming, retiring, or paying of indebtedness or outstanding 19 revenue bonds, and the issuance of refunding bonds. 20 The expenses may include the amount necessary for the payment of 21 interest upon the indebtedness to be funded or the revenue bonds 22 24



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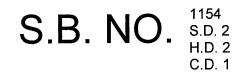
to be refunded to the maturity or redemption date thereof, the 1 amount necessary for the payment of interest upon the refunding 2 bonds from the date of delivery thereof to the date upon which 3 4 the principal of the outstanding revenue bonds to be refunded 5 will be paid whether at maturity or pursuant to a call for 6 redemption thereof, or pursuant to agreement with the holders 7 thereof, plus in any case the amount of any premium required to 8 be paid to call or retire the revenue bonds.

§304A-P Fiscal agents. The director of finance of the 9 10 State, when requested by the board, shall render full and complete assistance to the board in the preparation and sale of 11 revenue bonds issued pursuant to this subpart. The director of 12 finance shall be the fiscal agent of the board for the payment 13 of all principal and interest, and for the transfer, of revenue 14 bonds. Sections 36-3 and 39-12 shall apply to this subpart. 15 The director of finance shall set up in the treasury of the 16 State suitable accounts for: 17

18 (1) Deposit of all revenues of university projects,
19 university systems, or networks and for the payment of
20 all revenue bonds and the interest thereon;



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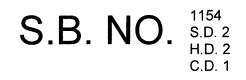
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Deposit of all other payments provided or required by 1 (2)this subpart, or any resolution or resolutions of the 2 3 board; and Holding of all reserves created under this subpart, or 4 (3) pursuant to any resolution of the board. 5 §304A-Q Validation of proceedings. All proceedings taken 6 with respect to the contracting of revenue bonded indebtedness 7 and the issuance, sale, execution, and delivery of revenue bonds 8 by the board are deemed validated, ratified, approved, and 9 confirmed, notwithstanding any defects or irregularities in any 10 proceedings or in the issuance, execution, sale, or delivery. 11 The revenue bonds so issued or to be issued are and shall be 12 valid obligations of the board. 13 §304A-R Limitation of authority. Notwithstanding any law 14

14 §304A-R Limitation of authority. Notwithstanding any faw 15 to the contrary, nothing in this subpart shall be construed to 16 authorize the board to incur any indebtedness contrary to the 17 State Constitution or to incur any indebtedness that would be 18 required to be included in the calculation of the total 19 indebtedness of the State.

20 §304A-S Annual report. The University of Hawaii shall
21 submit a report to the legislature, no later than twenty days
22 prior to the convening of each regular session, of all revenue

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1	bonds issued pursuant to this subpart. The report shall provide
2	a summary of all revenue bonds issued pursuant to this subpart
3	during the preceding fiscal year."
4	SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
5	amended by adding a new section to part V, subpart C, to be
6	appropriately designated and to read as follows:
7	"§304A- University revenue-undertakings fund. (a)
8	There is established a special fund for the University of Hawaii
9	to be known as the university revenue-undertakings fund into
10	which all revenue of the university under subpart of part
11	VI, including any appropriation allocated pursuant to this
12	section received from, or related to, university projects,
13	university systems, or networks or any combination thereof,
14	constructed or maintained by the board under subpart of part
15	VI shall be deposited. At the direction of the board, there may
16	be established accounts in the university revenue-undertakings
17	fund as required by the resolution authorizing revenue bonds.
18	If revenue bonds are issued under subpart of part VI
19	payable from the revenue of a university parking facility or the
20	revenue of a university system that includes a university
21	parking facility, the board in the resolution authorizing
22	revenue bonds may direct that all or any part of the moneys
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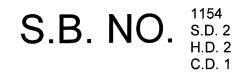


1	required	by this chapter to be paid into the university parking
2	revolving	fund created by section 304A-2275 shall be deposited
3	in the un	iversity revenue-undertakings fund in lieu of being
4	deposited	in the university parking revolving fund.
5	(b)	All moneys in the university revenue-undertakings fund
6	shall be	applied in accordance with the resolution of the board
7	authorizi	ng the issuance of revenue bonds under subpart of
8	part VI,	as follows:
9	(1)	To provide for all costs of construction, operation,
10		repair, and maintenance of a university project,
11		university system, network, or any combination
12		thereof, including reserves therefor;
13	(2)	To pay when due all revenue bonds and interest
14		thereon, for the payment of which all or any part of
15		the revenue of the university is or has been pledged,
16		charged, or otherwise encumbered, including reserves
17		therefor;
18	(3)	To reimburse the university for all moneys advanced to
19		pay the expenses incurred in making the preparation
20		for the initial issuance of revenue bonds under
21		subpart of part VI;

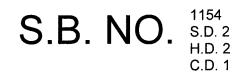
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1	(4)	To reimburse the general fund of the State for
2		principal and interest on general obligation bonds
3		issued for all university projects, university
4		systems, networks, or any combination thereof, or
5		issued to refund any of such general obligation bonds,
6		to the extent required by law; and
7	(5)	To provide a reserve for betterments and improvements
8		to and renewals and replacements of, university
9		projects, university systems, networks, or any
10		combination thereof.
11	If a	dequate provision is made for all the foregoing
12	purposes,	and if permitted by law and the covenants in the
13	resolutio	n authorizing the issuance of revenue bonds under
14	subpart	of part VI, any moneys remaining in the university
15	revenue-u	ndertakings fund at the end of a fiscal year may be
16	expended	by the board in subsequent years in furtherance of any
17	of the pu	rposes of the university.
18	(c)	The following terms used in this section shall be as
19	defined i	n section 304A-A: "appropriation", "board",
20	"construc	tion", "cost of construction", "cost of maintenance",
21	"maintena:	nce", "network", "reserves", "revenue bonds", "revenue





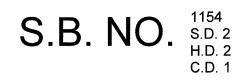
1	of the university", "university project", and "university
2	system"."
3	SECTION 3. Section 304A-2167, Hawaii Revised Statutes, is
4	repealed.
5	[" [§304A-2167] University revenue-undertakings fund. (a)
6	There is hereby created a special fund to be administered by the
7	university and shall be known as the university revenue-
8	undertakings fund, into which all revenue derived from a
9	university project or university system under subpart A of part
10	VI shall be deposited. The university may deposit other revenue
11	of the university into the fund. At the direction of the board,
12	there may be established such accounts in the university
13	revenue-undertakings fund as required by the resolution or
14	resolutions authorizing revenue bonds. In the event that
15	revenue bonds are issued under subpart A of part VI payable from
16	the revenues of a university parking unit or the revenues of a
17	university system that includes a university parking unit, the
18	board in the resolution or resolutions authorizing such revenue
19	bonds may direct that all or any part of the moneys required by
20	sections [304A-2275] and [304A-2602] to be paid into the
21	university parking revolving fund created by section [304A-2275]
22	shall be deposited in the university revenue-undertakings fund
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1	in lieu of being deposited in the university parking revolving		
2	fund, and thereafter all such moneys or such part thereof as the		
3	board has directed shall be deposited in the university revenue-		
4	undertakings fund in lieu of being deposited in the university		
5	parking revolving fund. All moneys in the university revenue-		
6	undertakings fund are appropriated and shall be applied in		
7	accordance with the provisions of the resolution or resolutions		
8	of the board authorizing the issuance of revenue bonds under		
9	subpart A of part VI:		
10	(1)	To provide for all costs of construction, operation,	
11		repair, and maintenance of university projects or	
12		university systems, including reserves therefor;	
13	(2)	To pay when due all revenue bonds and interest	
14		thereon, for the payment of which the revenue is or	
15		has been pledged, charged, or otherwise encumbered,	
16		including reserves therefor;	
17	(3)	To reimburse the university for all moneys advanced to	
18		pay the expenses incurred in making the preparation	
19		for the initial issuance of revenue bonds under	
20		subpart A of part VI;	
21	-(4)-	To reimburse the general fund of the State for all	
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bond requirements for general obligation bonds that 22





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1		are or shall have been issued for a university project
2		or university system, or to refund any of those
3		general obligation bonds, except insofar as the
4		obligation of reimbursement has been or shall be
5		canceled by the legislature, the bond requirements
6		being the interest on term and serial bonds, sinking
7		fund for term bonds, and principal of serial bonds
8		maturing the following year;
9	(5)	To provide a reserve for betterments and improvements
10		to, and renewals and replacements of, university
11		projects or university systems. If adequate provision
12		has been made for all the foregoing purposes, and if
13		permitted by the covenants in the resolution or
14		resolutions authorizing the issuance of revenue bonds
15		under subpart A of part VI, any surplus moneys
16		remaining in the university revenue-undertakings fund
17		at the end of any fiscal year may be expended by the
18		board in subsequent years in furtherance of any or all
19		of the purposes of the university.
20	-(b)	The following terms used in this section shall be as
21	defined i	n section [304A-2501]: "board", "cost of

22 construction", "maintenance", "reserves", "revenue bonds",

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"revenue of the university project or university system", 1 "university", "university parking unit", "university project", 2 and "university system."] 3 SECTION 4. Chapter 304A, part VI, subpart A, Hawaii 4 Revised Statutes, is repealed. 5 SECTION 5. On the effective date of this Act, all moneys 6 deposited in the university revenue-undertakings fund 7 established pursuant to section 304A-2167, Hawaii Revised 8 Statutes, and any encumbrances thereon shall be transferred to 9 the university revenue-undertakings fund established pursuant to 10 11 section 2 of this Act. SECTION 6. The board of regents of the University of 12 Hawaii, with the approval of the governor, is authorized to 13 issue revenue bonds from time to time to finance, in whole or in 14 part, the costs of construction or the costs of maintenance of 15 any university project, including reserves therefor as the board 16 of regents may direct. The total principal amount of the 17 revenue bonds authorized by this Act shall not exceed 18 \$100,000,000; provided that neither revenue bonds issued to 19 refund revenue bonds heretofore issued, to the extent that such 20 refunding revenue bonds do not exceed the principal amount of 21 the revenue bonds being refunded, nor revenue bonds of the board 22 2007-3057 SB1154 CD1 SMA.doc 33

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outstanding at the effective date of this Act shall cause the 1 amount of the above authorization to be decreased. The revenue 2 3 bonds shall be issued pursuant to the provisions of part VI of 4 chapter 304A, Hawaii Revised Statutes. The principal and interest on the revenue bonds, to the extent not paid from the 5 proceeds of such bonds, shall be paid solely from and secured 6 solely by the revenue of the university as defined in section 7 8 304A-A, Hawaii Revised Statutes.

9 SECTION 7. There is appropriated out of the revenue bond 10 proceeds authorized by this Act the sum of \$100,000,000 or so 11 much thereof as may be necessary for fiscal year 2007-2008 and 12 the same sum or so much thereof as may be necessary for fiscal 13 year 2008-2009 to carry out the purposes of section 6.

14 The sums appropriated shall be expended by the board of 15 regents of the University of Hawaii.

16 SECTION 8. In codifying this Act, the revisor of statutes 17 shall substitute appropriate section numbers for the section 18 designations used in this Act.

19 SECTION 9. Statutory material to be repealed is bracketed20 and stricken. New statutory material is underscored.

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

S.B. NO. 1154 S.D. 2 H.D. 2 C.D. 1

Report Title: UH Projects

Description:

Provides more flexibility to the University of Hawaii in the financing and administering of the construction and maintenance of university projects, university systems, or networks. (CD1)

