
A BILL FOR AN ACT

RELATING TO STATE MONEYS.

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

1 SECTION 1. The legislature finds that the national
2 recession has caused a multitude of financial problems for the
3 State, including difficulty selling general obligation bonds.
4 These bonds are of critical importance to the State to not only
5 fund major state capital improvement projects, but to also
6 rejuvenate the economy and create and sustain needed local
7 employment.

8 The legislature also finds that despite the dire economic
9 forecasts of late, the State had over \$2,000,000,000 in cash at
10 the end of the 2007 fiscal year.

11 The purpose of this Act is to provide funding for necessary
12 state capital improvement projects by providing alternatives to
13 the conventional method of selling state general obligation
14 bonds.

15 SECTION 2. Chapter 36, Hawaii Revised Statutes, is amended
16 by adding a new section to be appropriately designated and to
17 read as follows:



1 "§36- Non-general fund moneys; investments. In addition
2 to any other provision with respect to investments by the State,
3 the director of finance may invest non-general fund moneys,
4 which in the director's judgment are in excess of the amounts
5 necessary for meeting the immediate requirements of the State and
6 where in the director's judgment the action will not impede or
7 hamper the necessary financial operations of the State, in any
8 state issued general obligation bond or interest-bearing note or
9 other obligation; provided that:

- 10 (1) The non-general fund moneys invested are returned to
11 their respective sources within a reasonable time
12 period; and
- 13 (2) A report is submitted to the legislature not later than
14 thirty days after each investment is made that
15 discloses all sources of non-general fund moneys and
16 the amounts therefrom that were used as investments
17 under this section."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

State Bonds; Investments

Description:

Enhances the State's authority to invest in state bonds.

