
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 not only to
5 fund major state capital improvement projects, but also to
6 rejuvenate the economy and create and sustain needed local
7 employment.

8 The legislature further finds that despite the dire
9 economic forecasts of late, the State had over \$1,800,000 in
10 cash at the end of the 2009 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
 2 addition to any other provision with respect to investments by
 3 the State, the director of finance may invest non-general fund
 4 moneys, which in the director's judgment are in excess of the
 5 amounts necessary for meeting the immediate requirements of the
 6 State and where in the director's judgment the action will not
 7 impede or hamper the necessary financial operations of the
 8 State, in any state issued general obligation bond or interest-
 9 bearing note or 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
 14 than 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. New statutory material is underscored.

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

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H.B. NO. 562

Report Title:

State Bonds; Investments

Description:

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

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