
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO INFORM THE
PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
REPRESENTATIVES WITHIN SEVEN DAYS OF THE ISSUANCE OF
SPECIAL PURPOSE REVENUE BONDS.

1 WHEREAS, special purpose revenue bonds are bonds issued by
2 the State to assist private organizations with certain
3 qualifying projects that the Legislature finds to be in the
4 public interest; and

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6 WHEREAS, specifically, the Hawaii State Constitution
7 authorizes the issuance of special purpose revenue bonds to
8 finance facilities of or for, or to loan the proceeds of bonds
9 to assist:

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11 (1) Manufacturing, processing, or industrial enterprises;
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13 (2) Utilities serving the general public;
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15 (3) Health care facilities provided to the general public
16 by not-for-profit corporations;
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18 (4) Early childhood education and care facilities provided
19 to the general public by not-for-profit corporations;
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21 (5) Low- and moderate-income government housing programs;
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23 (6) Not-for-profit private nonsectarian and sectarian
24 elementary schools, secondary schools, colleges and
25 universities;
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27 (7) Agricultural enterprises; or
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29 (8) Dam and reservoir owners; and



1 WHEREAS, the company or organization for whom the special
2 purpose revenue bonds are issued must agree to pay the State
3 funds that cover:

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- 5 (1) The principal and interest on the bonds;
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- 7 (2) Sufficient reserves;
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- 9 (3) All fees and expenses in connection with the bond
10 issue; and
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- 12 (4) All other expenses incurred by the State to carry
13 about the issuance of the bonds; and
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15 WHEREAS, companies and organizations find the issuance of
16 special purpose revenue bonds desirable because it allows them
17 to access financing for projects at a low interest rate; and
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19 WHEREAS, although section 12 of Article VII of the Hawaii
20 State Constitution and section 39A-1, Hawaii Revised Statutes,
21 require the Governor to submit an annual report on the
22 cumulative amount of all special purpose revenue bonds
23 authorized and issued, and certain other information, there is
24 currently no requirement that the Legislature be notified
25 immediately after special purpose revenue bonds are issued; and
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27 WHEREAS, because the Legislature is responsible for
28 authorizing the issuance of special purpose revenue bonds, and
29 because the individual projects funded by the bonds often impact
30 or benefit the communities that individual legislators
31 represent, it would be beneficial for the Legislature to be
32 notified when special purpose revenue bonds are issued so that
33 Legislators may keep their constituents informed; now,
34 therefore,
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36 BE IT RESOLVED by the House of Representatives of the
37 Thirtieth Legislature of the State of Hawaii, Regular Session of
38 2019, the Senate concurring, that the Department of Budget and
39 Finance is requested to inform the President of the Senate and
40 the Speaker of the House of Representatives within seven days of
41 the issuance of special purpose revenue bonds; and
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1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Governor and
3 Director of Finance.

