

JAN 23 2025

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII REVENUE BONDS.

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

1 SECTION 1. The legislature finds that it is necessary to
2 allow the university of Hawaii to issue revenue bonds to help
3 address the university's capital facility needs. The
4 construction of new projects and the renovation, modernization,
5 and major repair of existing facilities have included, and will
6 continue to include, faculty and student housings, additional
7 classrooms, laboratories, offices, research facilities, utility
8 facilities, libraries, student support facilities, athletic
9 facilities, and other infrastructure requirements.

10 The purpose of this Act is to authorize the board of
11 regents of the university of Hawaii to issue revenue bonds for
12 up to \$800,000,000 to complete as many of its priority capital
13 facility construction, renovation, modernization, and repair
14 projects as possible.

15 SECTION 2. The board of regents of the university of
16 Hawaii, with the approval of the governor, is authorized to
17 issue revenue bonds from time to time to finance, in whole or in
18 part, the costs of construction or the costs of maintenance and

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1 modernization, or both, of any university project, any
2 university system, or any network or combination thereof,
3 including reserves therefor as the board of regents may direct.
4 The total principal amount of the revenue bonds authorized by
5 this Act shall not exceed \$800,000,000; provided that neither
6 revenue bonds issued to refund revenue bonds heretofore issued,
7 to the extent that the refunding revenue bonds do not exceed the
8 principal amount of the revenue bonds being refunded, nor
9 revenue bonds of the board outstanding at the effective date of
10 this Act shall cause the amount of the above authorization to be
11 decreased. The revenue bonds shall be issued pursuant to part
12 VI of chapter 304A, Hawaii Revised Statutes. The principal and
13 interest on the revenue bonds, to the extent not paid from the
14 proceeds of the bonds, shall be paid solely from and secured
15 solely by the revenue of the university as defined in section
16 304A-2671, Hawaii Revised Statutes.

17 SECTION 3. There is appropriated out of the revenue bond
18 proceeds and interest earned thereon authorized by this Act the
19 sum of \$800,000,000 or so much thereof as may be necessary for
20 fiscal year 2025-2026 to carry out the purposes of section 2 of
21 this Act; provided that any unexpended and unencumbered balance

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1 of the appropriation shall not lapse at the end of fiscal year
2 2025-2026 and shall lapse instead on June 30, 2030.

3 The sum appropriated shall be expended by the board of
4 regents of the university of Hawaii.

5 SECTION 4. The university of Hawaii shall notify the
6 legislature upon the issuance of the revenue bonds authorized by
7 section 2 of this Act, including a detailed list and description
8 of all projects to be funded through the revenue bonds
9 authorized by this Act.

10 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:  _____

BY REQUEST

S.B. NO. 1487

Report Title:

UH; Board of Regents; Authorization of Revenue Bonds; Capital Improvement Projects

Description:

Authorizes the Board of Regents of the University of Hawaii to issue revenue bonds for up to \$800,000,000 for the purpose of financing qualifying priority capital improvement projects.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

SB. NO. 1487

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII REVENUE BONDS.

PURPOSE: To authorize the Board of Regents of the University of Hawaii to issue revenue bonds for up to \$800,000,000 and to expend interest earned from these bonds for the purpose of financing the University's qualifying priority capital improvement projects.

MEANS: Establish authorization in session laws.

JUSTIFICATION: Authorizing the Board of Regents of the University to issue revenue bonds is necessary to enable the University to continue addressing its capital facility needs, including new project construction, modernization, and the major repair and maintenance backlog.

Impact on the public: The enactment of the bill is expected to have minimal financial impact to the public since the University does not anticipate committing or dedicating any general tax receipts to the payment of the University's revenue bonds. It is not currently contemplated that "non-university" revenues would be requested to support the repayment of the University's revenue bonds. University revenues are moneys generated through fees and charges imposed for the goods and services provided by the University. The University's revenue bonds will be payable only from University revenues as defined in section 304A-2671, Hawaii Revised Statutes.

Impact on the department and other agencies: The enactment of the bill will provide the University with the ability to obtain additional funding to help address its capital facility needs, including new

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project construction, modernization, and the major repair and maintenance backlog. The bill will require continued budgetary diligence by the University.

GENERAL FUND:

None.

OTHER FUNDS:

University's revenue bonds. There is no present expectation of requesting other moneys.

PPBS PROGRAM

DESIGNATION:

UOH-100, UOH-110, UOH-115, UOH-210, UOH-700, UOH-800, and UOH-900.

OTHER AFFECTED

AGENCIES:

Office of the Governor; Department of Budget and Finance; Department of Accounting and General Services.

EFFECTIVE DATE:

Upon approval.