



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2025**

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**ON THE FOLLOWING MEASURE:**  
H.B. NO. 794, RELATING TO STATE BONDS.

**BEFORE THE:**  
HOUSE COMMITTEE ON FINANCE

**DATE:** Wednesday, February 19, 2025      **TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Randall S. Nishiyama, Deputy Attorney General

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Chair Yamashita and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

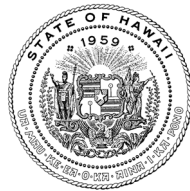
This bill authorizes the issuance of general obligation bonds to finance project appropriations contained in acts of the Legislature for which the means of funding is designated as general obligation bond funds or reimbursable general obligation bond funds. Also, the bill makes findings with respect to these bond authorizations as required by article VII, section 13, of the Hawaii Constitution, that the issuance of the authorized bonds will not cause the debt limit to be exceeded. Further, this bill authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to secure a line of credit or other instruments of indebtedness during the fiscal biennium 2025-2027.

To avoid confusion regarding the purpose and scope of this bill, we recommend limiting the bond authorizations in this bill to general obligation bonds. The line of credit proposed for the HHFDC is a type of revenue bond, not a general obligation bond. To effectuate this recommendation, we suggest the following:

1. Delete section 1(7), page 10, line 15, through page 11, line 2, that allows the HHFDC to secure a line of credit or other instruments of indebtedness during the fiscal biennium 2025-2027.

2. Delete section 4, page 17, lines 12-20, that provides authorization for the HHFDC to secure a line of credit or other instruments of indebtedness for the bond volume cap recycling program. House Bill No. 529, H.D. 1, and Senate Bill No. 40, S.D. 1, already authorize the HHFDC to secure a line of credit or other instruments of indebtedness as a type of revenue bond.

We respectfully ask the Committee to consider our comments.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
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LUIS P. SALAVERIA  
DIRECTOR

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FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 794

**February 19, 2025  
2:00 P.M.  
Room 308 and Videoconference**

RELATING TO STATE BONDS.

The Department of Budget and Finance (B&F) offers the following comments on House Bill No. 794 which authorizes the issuance of general obligation bonds to finance project appropriations contained in Acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds. The bill also provides a declaration of findings with respect to such authorizations as mandated by the State Constitution and authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to secure a line of credit or other instrument of indebtedness during the fiscal biennium beginning July 1, 2025 and ending June 30, 2027. The amount of the line of credit is unspecified.

Article VII, Section 13 of the Constitution of the State of Hawaii requires that as of July 1, 1980, the Legislature shall include a declaration of findings in every general law

authorizing the issuance of general obligation bonds. The declaration of findings must state that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the State debt limit to be exceeded at the time of issuance.

Authorization for an HHFDC line of credit is contained in HB 529, H.D. 1 and SB40, S.D. 1, and those measures or the state budget bill (HB 300) are standard vehicles for such an authorization. As such, B&F recommends limiting bond authorizations in House Bill 794 to general obligation bonds by doing the following:

- 1) Delete Section 1(7), page 10, lines 15-20 and page 11, lines 1-2, that allows HHFDC to secure a line of credit or other of indebtedness during the fiscal biennium beginning July 1, 2025 and ending June 30, 2027.
- 2) Delete Section 4, page 17, lines 12-20 that provides authorization for HHFDC to secure a line of credit for the bond volume cap recycling program. House Bill 529, H.D. 1 and Senate Bill 40, S.D. 1 authorizes the HHFDC to secure a line of credit or other instrument of indebtedness as a type of revenue bond.

As in previous years, our staff is available to assist the Legislature in refining and completing this bill.

Thank you for your consideration of our comments.