

ACT 125

An Act Relating to County and Municipal Bonds and Amending Chapter 139 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 139-1 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“**Section 139-1. Issuance authorized; approval.** The treasurer of each county may, upon authorization of the board of supervisors, issue from time to time bonds of such county, to an amount not to exceed ten per cent of the total of the assessed values for tax rate purposes of real property in such county, as determined by the last tax assessment rolls pursuant to law, nor to exceed in one fiscal year, two per cent of such assessed values in such county, the principal and interest to be paid dollar for dollar in any coin or currency of the United States which at the time of payment is legal tender for public and private debts, in the manner, upon the terms and for the purposes of this chapter stated. For the purposes of this chapter, board of supervisors as used herein shall include the city council of the city and county of Honolulu, and treasurer of each county as used herein shall include the director of finance of the city and county of Honolulu.”

SECTION 2. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding section 139-3 thereto to read as follows:

“**Section 139-3. Method of authorization.** Bonds issued pursuant to this chapter shall be authorized by an ordinance or resolution of the board, which ordinance or resolution may relate to more than one public improvement. It shall be a sufficient recital of purpose of issuance if such ordinance or resolution recites that the proceeds of the bonds authorized therein are to be used to pay all or part of the cost of appropriations for public improvements made in a capital budget ordinance or resolution identified in the bond authorizing ordinance or resolution, and neither the individual appropriations nor public improvements to which such proceeds are to be applied need be specified in such bond authorizing ordinance or resolution.”

SECTION 3. Section 139-12 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“Section 139-12. Interest rate, denominations, maturities, place payable, registration, redemption, sale, other disposal. All bonds issued under the authority of this chapter shall bear interest payable semiannually at a rate or rates not exceeding five per centum per annum; if for a term exceeding one year, shall be in serial form maturing in substantially equal annual installments, the first installment to mature not later than five years from the date of the issue of such series and the last installment not later than thirty-five years from the date of such issue; may be payable as to both principal and interest at places within and without the State; may be issued in coupon form without privilege of registration or registrable as to principal only or as to both principal and interest or in fully registrable form; and may be made redeemable at any time or times prior to their stated maturities at prices not exceeding one hundred four per cent of the par value thereof. Unless the board of supervisors shall itself perform such actions, the treasurer of each county, from time to time and without further authorization of the board, shall determine the form, date, denominations and maturities of the bonds theretofore authorized by the board to be issued under the authority of this chapter, the place or places within or without the State at which the principal and interest of such bonds or any of them shall be payable and at which the bonds may be registered, and the time or times, prices and method of their redemption, and shall offer for sale and sell the whole or any part of any issue of such bonds. Such bonds shall be sold for not less than their par value, and shall be sold by means of public advertisement for tenders, either with the interest rate to be borne by such bonds having theretofore been fixed by the board of supervisors, in which event the bonds shall be sold to the bidder offering the highest price therefor, or shall be offered for sale without a specified rate or rates of interest, to be sold to the bidder offering the lowest interest cost after allowing for any premium tendered, in which event the bonds shall, without further action of the board, bear interest at the rate or rates set forth in the best bid therefor; provided, however, the right may be reserved to reject any and all bids. The advertisement for tenders required by this section shall be published at least once and at least five days prior to the date of such sale in a newspaper circulating in the State and in financial newspaper or newspapers published in any of the cities of New York, Chicago or San Francisco. Notwithstanding the foregoing provisions of this section as to public sale, any bonds authorized pursuant to this chapter may, with the approval of the board of supervisors, be deposited by the treasurer with and pledged to, or be otherwise disposed of to any board, agency or instrumentality of the State or of the United States government to secure the repayment of or an actual payment of, any loans or advances made or to be made, under the authority of an act or acts of the legislature of Hawaii or of the Congress of the United States authorizing such loans or advances by such board, agency or instrumentality to the county for the construction in whole or in part of any public improvement, the cost of which or any part thereof, would be payable out of the proceeds of such bonds, if sold.”

SECTION 4. Section 139-21 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“Section 139-21. Pledge of full faith and credit, unlimited taxation to pay principal and interest; satisfaction of judgment. The full faith and credit of the county shall be pledged to the payment of the principal and interest of the bonds issued by such county under this chapter, whether or not such pledge be stated in such bonds. For the payment of such principal and interest, the board of supervisors shall have the power and be obligated to levy ad valorem taxes without limitation as to rate or amount on all the real property subject to taxation by such county. Should any county default in the payment of any judgment secured against such county, upon an action at law for the collection of the principal or interest, or any part of either thereof, of any bond of such county, the treasurer of such county shall thereafter reserve from the general revenues of the county, as soon as received, money sufficient to pay such judgment.”

SECTION 5. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding section 139-23 thereto to read as follows:

“Section 139-23. Provisions of chapter controlling. Insofar as the provisions of this chapter are inconsistent with the provisions of any law or charter, the provisions of this chapter shall be controlling. The powers conferred by this chapter shall be in addition and supplemental to the powers conferred by any other law or charter, and bonds may be issued hereunder for any public improvement notwithstanding that any other law or charter may provide for the issuance of bonds for like purposes and without regard to the requirements, restrictions or other provisions contained in any other law or charter. Bonds may be issued under this chapter notwithstanding any debt or other limitation prescribed by any other law or charter and without obtaining the consent of any commission, board, bureau, agency or department of the State, and without any other proceeding or happening of any other condition or thing than those proceedings, conditions or things which are specifically required by this chapter, and the mode and the method of procedure for the issuance of bonds under this chapter need not conform to the provisions of any other law or charter. The authorization, issuance and validity of bonds under this chapter shall not be dependent on or affected in any way by proceedings taken, contracts made, acts performed or done in connection with, or in furtherance of, any public improvement undertaken by the county authorizing and issuing the bonds, nor shall the authorization, issuance and validity of bonds issued under this chapter be dependent in any way upon the due adoption or enactment of any capital program or capital budget ordinance or resolution or upon the continued effectiveness of any appropriation made in any capital budget ordinance or resolution; provided, however, that nothing in this section shall be deemed to permit the application of the proceeds of such bonds to appropriations which have lapsed pursuant to the provisions of law or of a charter.”

SECTION 6. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding section 139-24 thereto to read as follows:

“Section 139-24. Validation of proceedings. All proceedings heretofore taken and all elections heretofore held in any county under this chapter or any charter, to provide for, and with respect to, the contracting of bonded indebtedness and the authorization, issuance, sale, execution and delivery of bonds by or on behalf of such county, are hereby validated, ratified, approved and confirmed, notwithstanding any lack of power of the board of the county to authorize and issue such bonds, or to authorize the execution, sale or delivery thereof, and notwithstanding any defects or irregularities in any such proceedings or elections, whether taken under this chapter or any charter, or in such execution, sale or delivery; and such bonds so issued or to be issued are and shall be binding, legal, valid and enforceable obligations of such county.”

SECTION 7. Severability. If any section, subsection, sentence, clause or phrase of this Act is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act. The legislature hereby declares that it would have approved this Act and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses or phrases be declared unconstitutional.

SECTION 8. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 1057.**
