

ACT 41

A Bill for an Act Relating to County and Municipal Refunding Bonds; Amending Part IV of Chapter 139 of the Revised Laws of Hawaii, 1955; and Repealing Sections 139-53, 139-54, 139-55, 139-56, 139-57, 139-58, 139-59 and 139-60 of Said Chapter.

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

SECTION 1. Part IV of Chapter 139 of the Revised Laws of Hawaii, 1955, as amended, is hereby further amended in the following respects:

a. Section 139-50 of the Revised Laws of Hawaii, 1955, is hereby amended to read as follows:

“§ 139-50. Definitions. Whenever used in this part the words ‘board of supervisors’ also mean and include the city council of the city and county of Honolulu and the word ‘treasurer’ also means and includes the director of finance of the city and county of Honolulu.”

b. Section 139-51 of the Revised Laws of Hawaii, 1955, is hereby amended to read as follows:

§ 139-51. Refunding bonds authorized. For the purpose of refunding the present and future bonded indebtedness of any county or any part or parts thereof, the treasurer of any county, upon authorization of the board of supervisors, may from time to time issue general obligation refunding bonds of the county with which to pay, call and redeem all or any part of the outstanding bonds of the county or any part or parts thereof, and may include various series and issues of such outstanding bonds in a single issue of refunding bonds and may include refunding bonds and bonds authorized under Part I of this chapter in a single issue of bonds. Refunding bonds may be issued to pay principal, any redemption premium and interest to accrue and become payable on the outstanding bonds being refunded. The interest rate or rates of the refunding bonds shall not be limited by the interest rate or rates borne by any of the bonds to be refunded thereby. The refunding bonds may be issued and delivered at or at any time before the maturity or redemption date of the bonds to be refunded that the treasurer, with the approval of the board of supervisors, determines to be in the best interest of the county. The refunding bonds shall be payable as to principal and interest 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, and shall be issued in accordance with the provisions of sections 139-10 to 139-23 of this chapter, and all of the provisions of said sections shall be applicable to such refunding bonds. Pending the time the proceeds derived from the sale of refunding bonds issued

hereunder are required for the purposes for which they were issued, the treasurer may, upon authorization or approval of the board of supervisors, invest such proceeds in obligations of, or obligations unconditionally guaranteed by, the United States or in savings accounts, time deposits or certificates of deposit of any bank or trust company, within or without the State, to the extent that such savings accounts, time deposits or certificates of deposit are collaterally secured by a pledge of obligations of, or obligations unconditionally guaranteed by, the United States, and to further secure such refunding bonds the treasurer may, upon authorization or approval of the board of supervisors, enter into a contract with any bank or trust company, within or without the State, with respect to the safekeeping and application of the proceeds of such refunding bonds, and the safekeeping and application of the earnings on such investment, which contract shall become a part of the contract with the holders of such refunding bonds. The authorizations and approvals of the board of supervisors required by this section may be given either by resolution or ordinance as the board of supervisors may determine."

c. Section 139-52 of the Revised Laws of Hawaii, 1955, is hereby amended to read as follows:

"§ 139-52. Bonds which may be refunded. The bonds which may be refunded under the provisions of this part include among others any bonds issued under chapter 139, any bonds payable in whole or in part from the general revenues of the county issuing the same or otherwise payable in whole or in part from the taxes of such county and bonds payable from the revenues of an undertaking as defined in section 140-1 of the Revised Laws of Hawaii, 1955, except bonds payable solely from the revenues of a water supply and distribution system."

d. Sections 139-53, 139-54, 139-55, 139-56, 139-57, 139-58, 139-59 and 139-60 of the Revised Laws of Hawaii, 1955, are hereby repealed.

SECTION 2. This Act shall take effect upon its approval.
(Approved May 7, 1965.) **H.B. 367.**