

**ACT 64**

**S. B. 182.**

**A Bill for an Act Amending Chapter 139 of the Revised Laws of Hawaii 1955, as Amended, Relating to County and Municipal Bonds.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** This Act is hereby declared to be an urgency measure deemed necessary in the public interest within the meaning of section 11 of Article III of the Constitution of the State of Hawaii.

The following is a statement of facts constituting such urgency:

The purpose of this Act is to authorize the financing of improvements by assessments through the sale of general obligation bonds and the use of the

proceeds of general obligation bonds to establish, maintain or replenish a special assessments revolving fund to provide financing for such improvements.

Improvements by assessments are important to orderly growth and development and a major program for providing necessary improvements and facilities.

The financing of improvements by assessments through the sale of improvement district bonds secured only by assessments as a lien upon the lands assessed is becoming increasingly difficult because of waning interest among some prospective purchasers of such bonds and because the size of such bond sales contemplated for improvement districts in various stages of development exceed the capacity of other prospective purchasers to purchase such bonds.

Lack of financing for improvements by assessments could cause this program to falter and seriously impair orderly growth and development and a major program for improvement.

It is urgent and necessary that the authorization provided by this Act be granted to insure the availability of financing for improvements by assessments.

SECTION 2. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended as follows:

(a) By amending section 139-2 thereof, relating to purposes of issuance, to read as follows:

**"Sec. 139-2. Purposes of issuance.** Such bonds shall be issued only for public improvements of the county, including without limitation, special improvements, the cost of which is assessed or assessable in whole or in part against properties benefited or improved by such improvements; provided that the issuance of such bonds for such special improvements shall be limited to special improvements initiated by the county."

(b) By amending section 139-3 thereof, relating to method of authorization and to read as follows:

**"Sec. 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, or are to be used to establish, maintain or replenish the special assessment revolving fund of the county, 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. The purpose or purposes of issuance need not be stated in any bond."

(c) By amending section 139-11 thereof, relating to use of proceeds, to read as follows:

**“Sec. 139-11. Use of proceeds.** The proceeds of the bonds so issued shall be exclusively devoted to the purposes for which the same are issued; provided, however, that by an affirmative vote of two-thirds (2/3) of all of the members of the board of supervisors, that part of such proceeds which are in excess of the amounts required for the purposes for which such bonds were initially issued, or which may not be applied to such purposes or which the board deems should not be applied to such purposes, may be applied to such other public improvements of the county as the board may determine, or may be applied to the redemption or retirement of general obligation bonds of the county; and provided further, the actual use and application of the proceeds of bonds issued pursuant to this Chapter shall not in any way affect the validity or legality of such bonds.”

(d) By amending Section 139-12 thereof by deleting the word “five” in the first sentence thereof and substituting therefor the word “six.”

(e) By amending Section 139-23, thereof, relating to controlling relationship of the provisions of the chapter, to read as follows:

**“Sec. 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, including special improvements the cost of which is assessed or assessable in whole or in part against properties benefited or improved thereby, 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, or by the validity of any such proceedings, contracts, or acts, nor shall the authorization, issuance and validity of bonds issued under this chapter be dependent upon or affected in any way by the proceedings taken in connection with the creation of any improvement district and the fixing or imposition of any assessments or by the validity of any such proceedings or assessments, 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, 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 3.** This Act shall take effect upon its approval.  
(Approved May 9, 1968.)