

ACT 124

S. B. NO. 1121

A Bill for an Act Authorizing the Issuance of General Obligation and Revenue Bond Anticipation Notes of the State and the Counties and Revenue Bond Anticipation Notes of the Board of Regents of the University of Hawaii.

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

SECTION 1. Chapter 306, Hawaii Revised Statutes, is hereby amended

by adding thereto a new section to be designated and to read as follows:

“ §306- . **Revenue bond anticipation notes.** In anticipation of the issuance under this part of revenue bonds theretofore authorized by the Legislature and of the receipt of the proceeds of sale of such bonds, the board shall have power, with the approval of the governor, to issue and sell bond anticipation notes for the purposes for which such bonds have been authorized, the maximum principal amount of which notes shall not exceed the authorized principal amount of such bonds. The notes shall be payable solely from and secured solely by the proceeds of the sale of the bonds in anticipation of which the notes are issued and the revenues from which would be payable and by which would be secured such bonds; provided that, to the extent the principal of the notes is paid from moneys other than the proceeds of sale of such bonds, the maximum amount of bonds in anticipation of which the notes are issued that has been authorized shall be reduced by the amount of such notes paid in such manner. The issuance of such notes and the details thereof shall be governed by the provisions of this part with respect to bonds insofar as the same may be applicable; provided that (1) each note, together with all renewals and extensions thereof, or refundings thereof by other notes issued under this section, shall mature within five years from the date of the original note, and (2) the notes may be sold at public or private sale, as the board, with the approval of the governor, may determine.”

SECTION 2. Part I of chapter 39, Hawaii Revised Statutes, is hereby amended by adding thereto a new section to be designated and to read as follows:

“ §39- . **Bond anticipation notes.** In anticipation of the issuance under this part of general obligation bonds theretofore authorized by the Legislature and of the receipt of the proceeds of sale of such bonds, the director of finance may, with the approval of the governor, issue and sell general obligation bond anticipation notes for the purposes for which such bonds have been authorized, the maximum principal amount of which notes shall not exceed the authorized principal amount of such bonds. The full faith and credit of the State shall be pledged to the payment of the principal and interest of the notes. The issuance of the notes and the details thereof shall be governed by the provisions of this part with respect to bonds insofar as the same may be applicable, provided that (1) each note, together with all renewals and extensions thereof, or refundings thereof by other notes issued under this section, shall mature within five years from the date of the original note; (2) the notes may be sold at public or private sale as the director, with the approval of the governor, may determine; and (3) the interest on the notes shall be paid from the general fund and the principal thereof from the proceeds of sale of the bonds in anticipation of which the notes have been issued, or from any moneys in the general fund available therefor. To the extent that the principal of the notes shall be paid from moneys other than the proceeds of sale of such bonds, the maximum amount of bonds that has been authorized shall be reduced by the amount of notes paid in such manner.”

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SECTION 3. Part III of chapter 39, Hawaii Revised Statutes, is hereby amended by adding thereto a new section to be designated and to read as follows:

“ §39- . **Bond anticipation notes.** In anticipation of the issuance under this part of revenue bonds theretofore authorized by the Legislature for an undertaking and of the receipt of the proceeds of such bonds, the department having jurisdiction over the undertaking may, with the approval of the governor, issue and sell bond anticipation notes for the purposes for which such bonds have been authorized, the maximum principal amount of which notes shall not exceed the authorized principal amount of such bonds. The notes shall be payable solely from and secured solely by the proceeds of the sale of the bonds in anticipation of which they were issued and the revenues, or the user taxes, or a combination of both, from which would be payable and by which would be secured such bonds; provided that, to the extent the principal of the notes is paid from moneys other than the proceeds of sale of such bonds, the maximum amount of bonds in anticipation of which the notes are issued that has been authorized shall be reduced by the amount of such notes paid in such manner. The issuance of such notes and the details thereof shall be governed by the provisions of this part with respect to bonds insofar as the same may be applicable, provided that (1) each note, together with all renewals and extensions thereof, or refundings thereof by other notes issued under this section, shall mature within five years from the date of the original note and (2) the notes may be sold at public or private sale, as the department, with the approval of the governor, may determine.”

SECTION 4. Part I of chapter 47, Hawaii Revised Statutes, is hereby amended by adding thereto a new section to be designated and to read as follows:

“ §47- . **Bond anticipation notes.** Whenever the governing body of the county shall have authorized the issuance of bonds under this part, general obligation bond anticipation notes of the county are hereby authorized to be issued in anticipation of the issuance of such bonds and of the receipt of the proceeds of sale thereof, for the purposes for which such bonds have been authorized. All general obligation notes must be authorized by the governing body of the county issuing same, and the maximum principal amount of such notes shall not exceed the authorized principal amount of such bonds. The director of finance of the county, with the approval of the governing body, may issue and sell from time to time the bond anticipation notes which have been authorized by the governing body. The full faith and credit of the county shall be pledged to the payment of the principal and interest of the notes. The authorization, issuance and details of the notes shall be governed by the provisions of this part with respect to bonds insofar as the same may be applicable, provided that (1) each note, together with all renewals and extensions thereof, or refundings thereof by other notes issued under this section, shall mature within five years from the date of the original note; (2) the notes may be sold at public or private sale as the director of finance, with the approval of the governing body,

may determine; (3) all signatures upon the notes may be manual signatures; and (4) the interest on the notes shall be paid from the general fund of the county issuing same and the principal thereof from the proceeds of sale of the bonds in anticipation of which the notes have been issued or from any money in the general fund available therefor. To the extent that the principal of the notes shall be paid from moneys other than the proceeds of sale of such bonds, the maximum amount of bonds in anticipation of which the notes are issued that has been authorized shall be reduced by the amount of notes paid in such manner.”

SECTION 5. Chapter 49, Hawaii Revised Statutes, is hereby amended by adding thereto a new section to be designated and to read as follows:

“ §49- . **Bond anticipation notes.** Whenever the governing body of the municipality shall have authorized the issuance of bonds under this chapter for an undertaking, revenue bond anticipation notes of the municipality are hereby authorized to be issued in anticipation of the issuance of such bonds and of the receipt of the proceeds of sale thereof, for the purposes for which such bonds have been authorized. All revenue bond anticipation notes must be authorized by the governing body of the municipality issuing same, and the maximum principal amount of such notes shall not exceed the authorized principal amount of such bonds. The notes shall be payable solely from and secured solely by the proceeds of sale of the bonds in anticipation of which the notes are issued and the revenues from which would be payable and by which would be secured such bonds; provided that to the extent that the principal of the notes shall be paid from moneys other than the proceeds of sale of such bonds, the maximum amount of bonds in anticipation of which the notes are issued that has been authorized shall be reduced by the amount of notes paid in such manner. The authorization, issuance and the details of such note shall be governed by the provisions of this part with respect to bonds insofar as the same may be applicable, provided that (1) each note, together with all renewals and extensions thereof, or refundings thereof by other notes issued under this section, shall mature within five years from the date of the original note; and (2) the notes may be sold at public or private sale as the governing body of the municipality may determine.”

SECTION 6. This Act shall take effect upon its approval.

(Approved June 24, 1969.)