

A Bill for an Act Relating to General Obligation Bonds of the Counties.

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

SECTION 1. Section 47-7 of the Hawaii Revised Statutes is amended as follows:

**“Sec. 47-7 Issuance, interest rate, denominations, maturities, places payable, registration, redemption, medium of payment, sale, or other disposal.** The director of finance of the county may, upon authorization of its governing body, issue from time to time and in accordance with the provisions of this chapter, bonds of the county authorized for issuance by the governing body thereof. All bonds issued under authority of this chapter: shall bear interest payable semi-annually at a rate or rates not exceeding eight percentum per annum, provided that in any county with a population in excess of 100,000 the rate or rates shall not exceed seven percentum per annum; if for a term exceeding one year, shall be in serial form maturing in substantially equal installments of principal, or maturing in substantial equal installments of both principal and interest, the first installment of principal to mature not later than five years from the date of 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; 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 part value thereof; and shall be payable, as to both 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. Unless the governing body shall itself perform the actions, the director of finance of each county, from time to time and without further authorization of the governing body, shall determine the form, date, denominations, and maturities of the bonds theretofore authorized by the governing body 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 the 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 the bonds. The

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 the bonds having theretofore been fixed by the governing body, 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 governing body, bear interest at the rate or rates set forth in the best bid therefor; provided, 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 the 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 governing body, be deposited by the director of finance 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 the loans or advances by the 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 the bonds, if sold.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

SECTION 3. This Act shall take effect upon its approval.

(Approved May 3, 1975.)

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\*Edited accordingly.