

ACT 3

H.B. NO. 14

A Bill for an Act Relating to Capital Improvement Projects.

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

PART I

SECTION 1. The legislature finds that the devastating acts of terrorism on September 11, 2001, and our country's subsequent military response, have had a

profound and crippling effect on Hawaii's recovering economy, as well as on the livelihood and well being of Hawaii's people. Inasmuch as the legislature recognizes its obligation to promote economic stability and growth on behalf of the people it represents, the legislature intends to utilize all instrumentalities of government within its power to guide, direct, and influence the revival of the State's economy, in order to ensure the financial security of its people; preserve our desired quality of life; and restore hope and confidence in the future of our State.

The legislature acknowledges that an effective way for government to facilitate recovery and ensure the creation of fertile economic conditions is to focus public investment into economic sectors within our control, and to specific areas that will maximize and enhance productivity in our community. Toward this end, the legislature intends to authorize the implementation of approximately \$100,000,000 for public works construction projects, concentrating on funding of those areas fundamental to all economic activity — the development, maintenance, and improvement of physical plants and infrastructure to support education and a skilled workforce; the development of reliable communications to connect businesses and ensure global security and connectivity; the maintenance and improvement of our investments in public buildings and infrastructure; and the preservation and enhancement of our cultural and environmental assets.

PART II

SECTION 2. Act 259, Session Laws of Hawaii 2001, Section 3, is amended as follows:

(1) By amending Item G-1 to read:

“G. FORMAL EDUCATION

1. EDN100 — SCHOOL-BASED BUDGETING

		11,849.50*	11,815.50*
OPERATING	EDN	884,044,285A	929,885,433A
	EDN	5,372,924B	5,372,924B
	EDN	61,824,930N	61,199,930N
	EDN	3,410,000T	3,410,000T
	EDN	928,135U	928,135U
	EDN	3,000,000W	3,000,000W
INVESTMENT CAPITAL	AGS	56,155,000B	47,090,000B
		82,745,000B	20,500,000B
	AGS	12,262,000C	2,500,000C
	AGS	125,000R	R
	EDN	250,000B	250,000B
	EDN	493,000C	C”

(2) By amending Item G-7 to read:

“G. FORMAL EDUCATION

7. AGS807 - PHYSICAL PLANT OPERATIONS & MAINTENANCE-AGS

		240.00*	240.00*
OPERATING	AGS	23,259,540A	23,259,540A
INVESTMENT CAPITAL	AGS	50,000,000C	10,000,000C
		125,000,000C”	

(3) By amending Item G-12 to read:

“G. FORMAL EDUCATION

12. UOH700 - UNIVERSITY OF HAWAII, WEST OAHU

		47.50*	47.50*
OPERATING	UOH	2,260,139A	2,260,139A
	UOH	1,200,000B	1,200,000B
	UOH	7,000N	7,000N
	UOH	125,000W	125,000W
<u>INVESTMENT CAPITAL</u>	<u>UOH</u>	<u>8,000,000C</u>	<u>C</u> ”

(4) By amending Item G-14 to read:

“G. FORMAL EDUCATION

14. UOH900 - UNIVERSITY OF HAWAII, SYSTEM WIDE SUPPORT

		322.00*	322.00*
OPERATING	UOH	164,939,049A	176,958,152A
		4.00*	4.00*
	UOH	1,368,128B	1,368,128B
		4.00*	4.00*
	UOH	457,667N	457,667N
		100.00*	100.00*
	UOH	45,112,127W	45,112,127W
INVESTMENT CAPITAL	AGS	5,759,000C	9,649,000C
	UOH	[15,172,000C]	13,434,000C
		<u>32,172,000C</u>	
	UOH	<u>1,000,000W</u>	W”

(5) By amending Item K-8 to read:

“K. GOVERNMENT-WIDE SUPPORT

8. BUF101 - PROGRAM PLANNING, ANALYSIS AND BUDGETING

		51.00*	51.00*
OPERATING	BUF	122,831,542A	131,262,943A
	BUF	146,546,305U	156,323,622U
INVESTMENT CAPITAL	AGS	5,000,000C	C
	BUF	[83,535,000C]	77,340,000C
		<u>110,125,000C</u>	<u>50,750,000C</u> ”

SECTION 3. Act 259, Session Laws of Hawaii 2001, Section 91, is amended as follows:

(1) By amending Item G-18 to read:

“G-18 AUGUST AHRENS ELEMENTARY SCHOOL, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR AN EIGHT CLASSROOM BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.

DESIGN		225	
CONSTRUCTION		3,000	[3,000]
EQUIPMENT		200	[200]
TOTAL FUNDING	AGS	[225B]	[3,200]B”
		<u>3,425B</u>	

(2) By amending Item G-19 to read:

“G-19 CENTRAL MIDDLE SCHOOL, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE RENOVATION OF BUILDING A, PHASE I; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.

DESIGN		365	
CONSTRUCTION		<u>5,100</u>	[5,100]
EQUIPMENT		125	[125]
TOTAL FUNDING	AGS	<u>[365B]</u>	[5,225]B”
		<u>5,590B</u>	

(3) By amending Item G-23 to read:

“G-23 LEILEHUA HIGH SCHOOL, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR AN EIGHT CLASSROOM BUILDING (REPLACEMENT); GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.

DESIGN		320	
CONSTRUCTION		<u>3,100</u>	[3,100]
EQUIPMENT		100	[100]
TOTAL FUNDING	AGS	<u>[320B]</u>	[3,200]B”
		<u>3,520B</u>	

(4) By amending Item G-24 to read:

“G-24 240100 MILILANI MAUKA II ELEMENTARY SCHOOL, OAHU

CONSTRUCTION AND EQUIPMENT FOR FIRST (1ST) AND/OR SECOND INCREMENT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.

CONSTRUCTION		<u>[9,942]</u>	[6,999]
		16,941	
EQUIPMENT		<u>[500]</u>	[1]
TOTAL FUNDING	AGS	<u>[10,442B]</u>	[7,000]B”
		<u>17,442B</u>	

(5) By amending Item G-26 to read:

“G-26 PEARL HARBOR KAI ELEMENTARY SCHOOL, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE RENOVATION OF BUILDING “F” (BOMB SHELTER) INTO CLASSROOMS, STORAGE, OFFICES, TOILETS, PARKING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.

DESIGN		200	
CONSTRUCTION		<u>1,800</u>	[1,800]
EQUIPMENT		65	[65]
TOTAL FUNDING	AGS	<u>[200B]</u>	[1,865]B”
		<u>2,065B</u>	

(6) By amending Item G-27 to read:

“G-27 ROOSEVELT HIGH SCHOOL, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR
THE RENOVATION OF BUILDING A, PHASE I;
GROUND AND SITE IMPROVEMENTS;
EQUIPMENT AND APPURTENANCES.

DESIGN		800	
CONSTRUCTION		<u>3,800</u>	[3,800]
EQUIPMENT		200	[200]
TOTAL FUNDING	AGS	<u>[800B]</u>	[4,000]B”
		4,800B	

(7) By amending Item G-29 to read:

“G-29 WAIMEA HIGH SCHOOL, KAUAI

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR
THE RENOVATION OF BUILDINGS C AND H;
GROUND AND SITE IMPROVEMENTS;
EQUIPMENT AND APPURTENANCES.

DESIGN		200	
CONSTRUCTION		<u>2,000</u>	[2,000]
EQUIPMENT		100	[100]
TOTAL FUNDING	AGS	<u>[200B]</u>	[2,100]B”
		2,300B	

(8) By amending Item G-44 to read:

“G-44 CSD03 LUMP SUM CIP-SCHOOL BUILDING IMPROVEMENTS,
STATEWIDE

DESIGN AND CONSTRUCTION FOR THE
IMPROVEMENT OF PUBLIC SCHOOL FACILITIES
STATEWIDE. PROJECTS MAY INCLUDE ROOFING,
AIR CONDITIONING, PAINTING, PLUMBING,
OTHER REPAIRS AND IMPROVEMENTS TO
PUBLIC SCHOOL FACILITIES MAINTAINED BY
DAGS AND/OR DOE.

DESIGN		6,000	2,000
CONSTRUCTION		<u>[44,000]</u>	8,000
		119,000	
TOTAL FUNDING	AGS	<u>[50,000C]</u>	10,000C”
		125,000C	

(9) By amending Item G-68 to read:

“G-68 541 SYS, FACILITIES IMPROVEMENTS-REPAIRS AND MAINTENANCE,
STATEWIDE

PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE RENEWAL AND RENOVATION OF THE UNIVERSITY'S PHYSICAL PLANT. PROJECT TO INCLUDE REROOFING, MECHANICAL AND ELECTRICAL SYSTEMS, RENOVATIONS, RESURFACING, REPAINTING, AND OTHER REPAIRS AND PROJECT COSTS TO UPGRADE FACILITIES AT ALL UNIVERSITY CAMPUSES.

PLANS		100	100
DESIGN		1,000	1,000
CONSTRUCTION		[8,899]	8,899
		<u>25,899</u>	
EQUIPMENT		1	1
TOTAL FUNDING	UOH	[10,000C]	10,000C''
		<u>27,000C</u>	

(10) By amending Item K-4 to read:

“K-4 00-02 STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND, STATEWIDE

CONSTRUCTION TO AUTHORIZE THE TRANSFER OF GENERAL OBLIGATION BOND FUNDS TO THE STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND.

CONSTRUCTION		[53,535]	[47,340]
		80,125	20,750
TOTAL FUNDING	BUF	[53,535C]	[47,340C]
		<u>80,125C</u>	<u>20,750C''</u>

SECTION 4. Act 259, Session Laws of Hawaii 2001, Section 91, is amended by adding a new item to read as follows:

“UOH700- UNIVERSITY OF HAWAII, WEST OAHU

G-57N CAMPUS DEVELOPMENT, UNIVERSITY OF HAWAII-WEST OAHU

PLANS AND DESIGN FOR THE DEVELOPMENT OF THE UNIVERSITY OF HAWAII-WEST OAHU AT THE CITY OF KAPOLEI.

PLANS		2,000	
DESIGN		6,000	
TOTAL FUNDING	UOH	8,000C	C''

SECTION 5. Act 259, Session Laws of Hawaii 2001, Section 102, is amended to read as follows:

“SECTION 102. Provided that of the general obligation bond fund appropriation for physical plant operations and maintenance (AGS 807), the sum of [\$50,000,000] \$125,000,000 in fiscal year 2001-2002 and the sum of \$10,000,000 in fiscal year 2002-2003 shall be expended only for repairs and maintenance of school facilities.”

SECTION 6. Act 259, Session Laws of Hawaii 2001, Section 103, is amended to read as follows:

“SECTION 103. Provided that of the general obligation bond fund appropriation for university of Hawaii systemwide support (UOH 900), the sum of

[\$10,000,000] \$27,000,000 in fiscal year 2001-2002 and the sum of \$10,000,000 in fiscal year 2002-2003 shall be expended only for improvements and repairs and maintenance of university facilities systemwide.”

PART III

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$5,500,000, or so much thereof as may be necessary, for fiscal year 2002-2003, to be expended by the department of budget and finance for interest and principal on general obligation bonds; provided further that any unexpended funds shall lapse to the general fund.

PART IV

SECTION 8. Declaration of findings with respect to the general obligation bonds authorized by this Act. Pursuant to the clause in Article VII, Section 13 of the State Constitution which states: “Effective July 1, 1980, the legislature shall include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance,” the legislature finds and declares as follows:

- (1) Limitation on general obligation debt. The debt limit of the State is set forth in Article VII, Section 13 of the State Constitution, which states in part: “General obligation bonds may be issued by the State; provided that such bonds at the time of issuance would not cause the total amount of principal and interest payable in the current or any future fiscal year, whichever is higher, on such bonds and on all outstanding general obligation bonds to exceed: a sum equal to twenty percent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance until June 30, 1982; and thereafter, a sum equal to eighteen and one-half percent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance.” Article VII, Section 13 also provides that in determining the power of the State to issue general obligation bonds, certain bonds are excludable, including “reimbursable general obligation bonds issued for a public undertaking, improvement or system but only to the extent that reimbursements to the general fund are in fact made from the net revenue, or net user tax receipts, or combination of both, as determined for the immediately preceding fiscal year” and bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor, but only to the extent the principal amount of such bonds does not exceed seven percent of the principal amount of outstanding general obligation bonds not otherwise excluded under said Article VII, Section 13.
- (2) Actual and estimated debt limits. The limit on principal and interest of general obligation bonds issued by the State, actual for fiscal year 2000-2001 and estimated for each fiscal year from 2001-2002 to 2004-2005, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
1997-1998	3,195,967,036	
1998-1999	3,254,256,686	
1999-2000	3,256,883,851	
2000-2001	3,428,080,000	\$598,604,967
2001-2002	3,567,843,000	612,918,600
2002-2003	3,674,705,000	632,256,422
2003-2004	3,856,504,000	658,022,060
2004-2005	(not applicable)	684,441,540

For fiscal years 2000-2001, 2001-2002, 2002-2003, 2003-2004 and 2004-2005, respectively, the debt limit is derived by multiplying the average of the net general fund revenues for the three preceding fiscal years by eighteen and one-half per cent. The net general fund revenues for fiscal years 1997-1998, 1998-1999, and 1999-2000 are actual, as certified by the director of finance in the Statement of the Debt Limit of the State of Hawaii as of July 1, 2000, dated November 24, 2000. The net general fund revenues for fiscal years 2000-2001 to 2003-2004 are estimates, based on general fund revenue estimates made as of September 5, 2001, by the council on revenues, the body assigned by Article VII, Section 7 of the State Constitution to make such estimates, and based on estimates made by the department of budget and finance of those receipts which cannot be included as general fund revenues for the purpose of calculating the debt limit, all of which estimates the legislature finds to be reasonable.

- (3) Principal and interest on outstanding bonds applicable to the debt limit.
 - (A) According to the department of budget and finance, the total amount of principal and interest on outstanding general obligation bonds, after the exclusions permitted by Article VII, Section 13 of the State Constitution, for determining the power of the State to issue general obligation bonds within the debt limit as of September 1, 2001 is as follows for fiscal year 2002-2003 to fiscal year 2009-2010:

<u>Fiscal Year</u>	<u>Principal and Interest</u>
2002-2003	389,910,925
2003-2004	404,151,481
2004-2005	404,398,886
2005-2006	400,426,205
2006-2007	397,197,143
2007-2008	388,777,761
2008-2009	378,783,031
2009-2010	281,587,717

The department of budget and finance further reports that the amount of principal and interest on outstanding bonds applicable to the debt limit generally continues to decline each year from fiscal year 2010-2011 to fiscal year 2021-2022 when the final installment of \$26,752,481 shall be due and payable. (B) The department of budget and finance further reports that the outstanding principal amount of bonds constituting instruments of indebtedness under which the State may incur a contingent liability as a guarantor is \$238,500,000, all or part of which is excludable in determining the power of the State to issue general

obligation bonds, pursuant to Article VII, Section 13 of the State Constitution.

- (4) Amount of authorized and unissued general obligation bonds and guaranties and proposed bonds and guaranties. (A) As calculated from the state comptroller's bond fund report as of August 31, 2001, adjusted for \$173,028,000 appropriations authorized by Act 259, Session Laws of Hawaii 2001, for \$8,713,000 appropriations authorized by Act 1, Special Session Laws of Hawaii 2001, and for the issuance of \$300,000,000 State of Hawaii General Obligation Bonds of 2001, Series CV, the total amount of authorized but unissued general obligation bonds is \$1,184,902,205. The total amount of general obligation bonds authorized in this Act is \$100,000,000. The total amount of general obligation bonds previously authorized and unissued and the general obligation bonds authorized in this Act is \$1,284,902,205. (B) As reported by the department of budget and finance the outstanding principal amount of bonds constituting instruments of indebtedness under which the State may incur a contingent liability as a guarantor is \$238,500,000, all or part of which is excludable in determining the power of the State to issue general obligation bonds, pursuant to Article VII, Section 13 of the State Constitution.
- (5) Proposed general obligation bond issuance. As reported herein for the fiscal years 2001-2002, 2002-2003, 2003-2004 and 2004-2005, the State proposes to issue \$200,000,000 in general obligation bonds during the first half of fiscal year 2001-2002, \$250,000,000 during the second half of fiscal year 2001-2002, \$150,000,000 during the first half of fiscal year 2002-2003, \$150,000,000 during the second half of fiscal year 2002-2003, \$150,000,000 during the first half of fiscal year 2003-2004, \$150,000,000 during the second half of fiscal year 2003-2004, \$150,000,000 during the first half of fiscal year 2004-2005 and \$100,000,000 during the second half of fiscal year 2004-2005. It has been the practice of the State to issue twenty-year serial bonds with principal repayments beginning the fourth year, the bonds payable in substantially equal annual installments of principal and interest payment with interest payments commencing six months from the date of issuance and being paid semi-annually thereafter. It is assumed that this practice will continue to be applied to the bonds that are proposed to be issued.
- (6) Sufficiency of proposed general obligation bond issuance to meet the requirements of authorized and unissued bonds, as adjusted, and bonds authorized by this Act. From the schedule reported in paragraph (5), the total amount of general obligation bonds which the State proposes to issue during the fiscal years 2001-2002 to 2003-2004 is \$1,050,000,000. An additional \$250,000,000 is proposed to be issued in fiscal year 2004-2005. The total amount of \$1,050,000,000 which is proposed to be issued through fiscal year 2003-2004 is sufficient to meet the requirements of the authorized and unissued bonds, as adjusted, the total amount of which is \$1,284,902,205, as reported in paragraph (4), except for \$234,902,205. It is assumed that the appropriations to which an additional \$234,902,205 in bond issuance needs to be applied will have been encumbered as of June 30, 2004. The \$250,000,000 which is proposed to be issued in fiscal year 2004-2005 will be sufficient to meet the requirements of the June 30, 2004 encumbrances in the amount of \$234,902,205. The amount of assumed encumbrances as of June 30, 2004 is reasonable and conservative,

based upon an inspection of June 30 encumbrances of the general obligation bond fund as reported by the state comptroller. Thus, taking into account the amount of authorized and unissued bonds, as adjusted, and the bonds authorized by this Act versus the amount of bonds which is proposed to be issued by June 30, 2004, and the amount of June 30, 2004 encumbrances versus the amount of bonds which is proposed to be issued in fiscal year 2004-2005, the legislature finds that in the aggregate, the amount of bonds which is proposed to be issued is sufficient to meet the requirements of all authorized and unissued bonds and the bonds authorized by this Act.

- (7) Bonds excludable in determining the power of the State to issue bonds. As noted in paragraph (1), certain bonds are excludable in determining the power of the State to issue general obligation bonds. (A) General obligation reimbursable bonds can be excluded under certain conditions. It is not possible to make a conclusive determination as to the amount of reimbursable bonds which are excludable from the amount of each proposed bond issued because:
 - (i) It is not known exactly when projects for which reimbursable bonds have been authorized in prior acts and in this Act will be implemented and will require the application of proceeds from a particular bond issue; and
 - (ii) Not all reimbursable general obligation bonds may qualify for exclusion.

However, the legislature notes that with respect to the principal and interest on outstanding general obligation bonds, according to the department of budget and finance, the average proportion of principal and interest which is excludable each year from the calculation against the debt limit is 5.68 percent for the ten years from fiscal year 2001-2002 to fiscal year 2010-2011. For the purpose of this declaration, the assumption is made that five percent of each bond issue will be excludable from the debt limit, an assumption which the legislature finds to be reasonable and conservative. (B) Bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor can be excluded but only to the extent the principal amount of such guaranties does not exceed seven percent of the principal amount of outstanding general obligation bonds not otherwise excluded under subparagraph (A) of this paragraph (7) and provided that the State shall establish and maintain a reserve in an amount in reasonable proportion to the outstanding loans guaranteed by the State as provided by law. According to the department of budget and finance and the assumptions presented herein, the total principal amount of outstanding general obligation bonds and general obligation bonds proposed to be issued, which are not otherwise excluded under Article VII, Section 13 of the State Constitution for the fiscal years 2001-2002, 2002-2003, 2003-2004, and 2004-2005 are as follows:

<u>Fiscal year</u>	<u>Total amount of General Obligation Bonds not otherwise excluded by Article VII, Section 13 of the State Constitution</u>
2001-2002	3,585,286,468
2002-2003	3,654,844,095

2003-2004	3,699,192,537
2004-2005	3,665,370,256

Based on the foregoing and based on the assumption that the full amount of a guaranty is immediately due and payable when such guaranty changes from a contingent liability to an actual liability, the aggregate principal amount of the portion of the outstanding guaranties and the guaranties proposed to be incurred, which does not exceed seven percent of the average amount set forth in the last column of the above table and for which reserve funds have been or will have been established as heretofore provided, can be excluded in determining the power of the State to issue general obligation bonds. As it is not possible to predict with a reasonable degree of certainty when a guaranty will change from a contingent liability to an actual liability, it is assumed in conformity with fiscal conservatism and prudence, that all guaranties not otherwise excluded pursuant to Article VII, Section 13 of the State Constitution will become due and payable in the same fiscal year in which the greatest amount of principal and interest on general obligation bonds, after exclusions, occurs. Thus, based on such assumptions and on the determination in paragraph (8), all of the outstanding guaranties can be excluded.

- (8) Determination whether the debt limit will be exceeded at the time of issuance. From the foregoing and on the assumption that the bonds identified in paragraph (5), which are issued prior to June 30, 2003 will be issued at an interest rate of 5.5 per cent and the bonds identified in paragraph (5) which are issued after July 1, 2003 will be issued at an interest rate of 6.0 per cent, it can be determined from the following schedule that the bonds which are proposed to be issued, which include all authorized and unissued bonds previously authorized, as adjusted, general obligation bonds and instruments of indebtedness under which the State incurs a contingent liability as a guarantor authorized in this Act, will not cause the debt limit to be exceeded at the time of such issuance:

Time of Issuance and Amount to be Counted Against Debt Limit	Debt Limit at Time of Issuance	Greatest Amount and Year of Highest Principal and Interest on Bonds and Guaranties
1st half FY 2001-2002 \$190,000,000	612,604,967	421,116,649 (2004-2005)
2nd half FY 2001-2002 \$237,500,000	612,604,967	438,997,230 (2005-2006)
1st half FY 2002-2003 \$142,500,000	632,256,422	451,536,768 (2005-2006)
2nd half FY 2002-2003 \$142,500,000	632,256,422	461,887,680 (2006-2007)
1st half FY 2003-2004 \$142,500,000	658,022,060	475,047,680 (2006-2007)
2nd half FY 2003-2004 \$142,500,000	658,022,060	483,597,680 (2006-2007)
1st half FY 2004-2005 \$142,500,000	684,441,540	493,388,749 (2007-2008)

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|--|-----------------------|-------------|-------------------------|
| | 2nd half FY 2004-2005 | | |
| | \$95,000,000 | 684,441,540 | 499,088,749 (2007-2008) |
- (9) Overall and concluding finding. From the facts, estimates, and assumptions stated in this declaration of findings, the conclusion is reached that the total amount of principal and interest estimated for the general obligation bonds authorized in this Act, and for all bonds authorized and unissued, and calculated for all bonds issued and outstanding, and all guaranties, will not cause the debt limit to be exceeded at the time of issuance.

SECTION 9. The legislature finds the bases for the declaration of findings set forth in this Act reasonable. The assumptions set forth in this Act with respect to the principal amount of general obligation bonds which will be issued, the amount of principal and interest on reimbursable general obligation bonds which are assumed to be excludable, and the assumed maturity structure shall not be deemed to be binding, it being the understanding of the legislature that such matters must remain subject to substantial flexibility.

SECTION 10. Authorization for issuance of general obligation bonds. General obligation bonds may be issued as provided by law in an amount that may be necessary to finance projects authorized herein; provided that the sum total of general obligation bonds so issued shall not exceed \$100,000,000.

Any law to the contrary notwithstanding, general obligation bonds may be issued from time to time in accordance with Section 39-16, Hawaii Revised Statutes, in such principal amount as may be required to refund any general obligation bonds of the State of Hawaii heretofore or hereafter issued pursuant to law.

SECTION 11. The provisions of this Act are declared to be severable and if any portion thereof is held to be invalid for any reason, the validity of the remainder of this Act shall not be affected.

SECTION 12. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 13. This Act shall take effect upon its approval.

(Approved November 2, 2001.)