



1 special purpose revenue bonds to construct or renovate charter  
2 schools.

3 "Project party" means a not-for-profit organization that is  
4 qualified to operate in this State that supports a charter  
5 school and constructs or renovates a charter school or the  
6 facilities thereof.

7 "Special purpose revenue bonds" or "bonds" means bonds,  
8 notes, or other evidences of indebtedness of the State issued  
9 pursuant to this part.

10 **§39A-B Department powers as to not-for-profit**

11 **organizations that support charter schools.** In addition to  
12 powers that it may now have, the department shall have all  
13 powers necessary or convenient to accomplish the purposes of  
14 this part. The powers of the department include but are not  
15 limited to the following:

16 (1) Notwithstanding and without compliance with section  
17 103-7, but with the approval of the governor, to:

18 (A) Enter into and carry out a project agreement, or  
19 an amendment or supplement to an existing project  
20 agreement, with a project party; and

21 (B) Enter into and carry out any agreement whereby  
22 the obligation of a project party under a project



1                    agreement will be unconditionally guaranteed by a  
2                    person other than a project party;

3            (2) To issue special purpose revenue bonds pursuant to and  
4            in accordance with this part;

5            (3) To lend the proceeds of the special purpose revenue  
6            bonds issued for a project to the project party for  
7            use and application by the project party for the  
8            acquisition, purchase, construction, reconstruction,  
9            improvement, betterment, extension, or maintenance of  
10           a project;

11           (4) As security for the payment of the principal of,  
12           premium, if any, and interest of the special purpose  
13           revenue bonds issued for a project, to:

14           (A) Pledge, assign, hypothecate, or otherwise  
15           encumber all or any part of the revenues and  
16           receipts derived or to be derived by the  
17           department under the project agreement for the  
18           project for which the bonds are issued;

19           (B) Pledge and assign the interest and rights of the  
20           department under the project agreement or other  
21           agreement with respect to the project or the  
22           special purpose revenue bonds;



1 (C) Pledge and assign any bond, debenture, note, or  
 2 other evidence of indebtedness received by the  
 3 department with respect to the project; or

4 (D) Any combination of the foregoing;

5 (5) To extend or renew any project agreement or any other  
 6 agreement related thereto; provided that any renewal  
 7 or extension shall be subject to the approval of the  
 8 governor unless made in accordance with provisions for  
 9 the extension or renewal contained in a project  
 10 agreement or related agreement theretofore approved by  
 11 the governor; and

12 (6) To do any and all things necessary or convenient to  
 13 carry out its purposes and exercise the powers given  
 14 and granted in this part.

15 **§39A-C Compliance with state and local law.** The issuance  
 16 of special purpose revenue bonds with respect to any project  
 17 under this part shall not relieve any project party or other  
 18 user of the project from the laws, ordinances, and rules of the  
 19 State or any political subdivision thereof, or any departments  
 20 or boards thereof with respect to the construction, operation,  
 21 and maintenance of projects, or zoning laws or regulations,  
 22 obtaining of building permits, compliance with building and



1 health codes and other laws, ordinances, or rules and  
2 regulations of similar nature pertaining to the project, and  
3 these laws shall be applicable to the party or any other user to  
4 the same extent they would be if the costs of the project were  
5 directly financed by the project party.

6 **§39A-D Conditions precedent to negotiating and entering**  
7 **into a project agreement.** The department prior to entering into  
8 negotiations with respect to a project agreement or at any time  
9 during the negotiations shall require that as a condition to the  
10 negotiations or the continuation thereof the State shall be  
11 reimbursed for any and all costs and expenses incurred by it  
12 even though a project agreement may not be entered into and may  
13 further require the deposit of moneys with the department as  
14 security for the reimbursement. Any amount of the deposit in  
15 excess of the amount required to reimburse the State shall be  
16 returned by the department to the party that has made the  
17 deposit.

18 The department shall not enter into any project agreement  
19 with respect to any project unless the legislature shall have  
20 first authorized the issuance of special purpose revenue bonds  
21 to finance such project pursuant to section 39A-G and the  
22 department has thereafter found and determined either that the



1 project party is a responsible party, whether by reason of  
2 economic assets or experience in the type of enterprise to be  
3 undertaken through the project, or otherwise, or that the  
4 obligations of the project party under the project agreement  
5 will be unconditionally guaranteed by a person who is a  
6 responsible party, whether by reason of economic assets or  
7 experience in the type of enterprise to be undertaken through  
8 the project, or otherwise.

9 **§39A-E Project agreement.** No special purpose revenue  
10 bonds shall be issued unless at the time of issuance the  
11 department shall have entered into a project agreement with  
12 respect to the project for the financing of which the special  
13 purpose revenue bonds are to be issued. Any project agreement  
14 entered into by the department shall contain provisions  
15 unconditionally obligating the project party:

16 (1) To pay to the department during the period or term of  
17 the project agreement, exclusive of any renewal or  
18 extension thereof and whether or not the project is  
19 used or occupied by the project party, the sum or  
20 sums, at time or times, and in amounts that will be at  
21 least sufficient:



- 1           (A) To pay the principal and interest on all special
- 2           purpose revenue bonds issued with respect to the
- 3           project as and when the same become due,
- 4           including any premium payable upon any required
- 5           redemption of the bonds;
- 6           (B) To establish or maintain a reserve, if any, as
- 7           may be required by the instrument authorizing or
- 8           securing the special purpose revenue bonds;
- 9           (C) To pay all fees and expenses (including the fees
- 10          and expenses of the paying agents and trustees)
- 11          incurred in connection with the special purpose
- 12          revenue bonds; and
- 13          (D) To pay the expenses (direct or indirect) incurred
- 14          by the State, as determined by the department, in
- 15          administering the bonds or in carrying out the
- 16          project agreement.
- 17        (2) To operate, maintain, and repair the project as long
- 18          as the same is used as provided in the project
- 19          agreement and to pay all costs of the operation,
- 20          maintenance, and repair.



1 Moneys received by the department pursuant to paragraph (1)(D)  
2 shall not be, or be deemed to be, revenues of the project and  
3 shall be paid into the general fund of the State.

4 **§39A-F Issuance of special purpose revenue bonds to**  
5 **finance projects.** In addition to the other powers that it may  
6 otherwise have, the department may issue special purpose revenue  
7 bonds to finance, in whole or in part, the costs of facilities  
8 of, or for, or to loan the proceeds of the bonds to assist  
9 project parties. All revenue bonds issued under this part are  
10 special purpose revenue bonds and the provisions of part III of  
11 chapter 39 shall not apply thereto. All special purpose revenue  
12 bonds shall be issued in the name of the department and not in  
13 the name of the State.

14 The department, in determining the cost of any project, may  
15 also include the following:

- 16 (1) Financing charges, fees, and expenses of any trustee  
17 and paying agents for special purpose revenue bonds  
18 issued to pay the cost of the project;
- 19 (2) Interest on the bonds and the expenses of the State in  
20 connection with the bonds and the project to be  
21 financed from the proceeds of the bonds accruing or  
22 incurred prior to and during the estimated period of



- 1 construction and for not exceeding twelve months  
2 thereafter;
- 3 (3) Amounts necessary to establish or increase reserves  
4 for the special purpose revenue bonds;
- 5 (4) The cost of plans, specifications, studies, surveys,  
6 and estimates of costs and of revenues;
- 7 (5) Other expenses incidental to determining the  
8 feasibility or practicability of the project;
- 9 (6) Administration expenses;
- 10 (7) Legal, accounting, consulting, and other special  
11 service fees;
- 12 (8) Interest cost incurred by the project party with  
13 respect to the project prior to the issuance of the  
14 special purpose revenue bonds; and
- 15 (9) Such other costs, commissions, and expenses incidental  
16 to the construction, acquisition, reconstruction,  
17 renovation, rehabilitation, improvement, betterment,  
18 operation, maintenance, or extension of the project,  
19 the financing, placing of same in operation, and the  
20 issuance of the special purpose revenue bonds, whether  
21 incurred prior to or after the issuance of the bonds.



1           The legislature finds and determines that the exercise of  
2 the powers vested in the department by this part constitutes  
3 assistance to not-for-profit organizations that support charter  
4 schools and that the issuance of special purpose revenue bonds  
5 to finance facilities of, or for, or to loan the proceeds of the  
6 bonds to assist, project parties, is in the public interest.

7           **§39A-G Authorization of special purpose revenue bonds.**

8           (a) Special purpose revenue bonds for each project, or  
9 multiproject program shall be authorized by a separate act of  
10 the legislature, by an affirmative vote of two-thirds of the  
11 members to which each house is entitled; provided that the  
12 legislature shall find that the issuance of the bonds is in the  
13 public interest; provided further that no authorization shall be  
14 made for a period exceeding five years of its enactment. Any  
15 special purpose revenue bond authorization, or any portion of  
16 the special purpose revenue bond authorization, which has not  
17 been issued at the close of the fiscal year for the period for  
18 which the authorization is made shall lapse. Special purpose  
19 revenue bonds issued pursuant to this part may be in one or more  
20 series for each project. The special purpose revenue bonds of  
21 each issue shall be dated, shall bear interest at a rate or  
22 rates, shall mature at a time or times not exceeding forty years



1 from their date or dates, shall have a rank or priority and may  
2 be made redeemable before maturity at the option of the  
3 department, at a price or prices and under terms and conditions,  
4 all as may be determined by the department. The department  
5 shall determine the form of the special purpose revenue bonds,  
6 including any interest coupons to be attached thereto, and the  
7 manner of execution of the special purpose revenue bonds, and  
8 shall fix the denomination or denominations of the special  
9 purpose revenue bonds and the place or places of payment of  
10 principal and interest, which may be at any bank or trust  
11 company within or without the State. The special purpose  
12 revenue bonds may be issued in coupon or in registered form, or  
13 both, as the department may determine, and provisions may be  
14 made for the registration of any coupon bonds as to principal  
15 alone and also as to both principal and interest, and for the  
16 reconversion into coupon bonds of any bonds registered as to  
17 both principal and interest. The department may sell special  
18 purpose revenue bonds in a manner, either at public or private  
19 sale, and for a price as it may determine.

20 (b) Prior to the preparation of definitive special purpose  
21 revenue bonds, the department may issue interim receipts or  
22 temporary bonds, with or without coupons, exchangeable for



1 definitive bonds when the bonds have been executed and are  
2 available for delivery.

3 (c) Should any bond issued under this part or any coupon  
4 appertaining thereto become mutilated or be lost, stolen, or  
5 destroyed, the department may cause a new bond or coupon of like  
6 date, number, and tenor to be executed and delivered in exchange  
7 and substitution for, and upon the cancellation of the mutilated  
8 bond or coupon, or in lieu of and in substitution for a lost,  
9 stolen, or destroyed bond or coupon. The new bond or coupon  
10 shall not be executed or delivered until the holder of the  
11 mutilated, lost, stolen, or destroyed bond or coupon has:

12 (1) Paid the reasonable expense and charges in connection  
13 therewith;

14 (2) In the case of a lost, stolen, or destroyed bond or  
15 coupon, has filed with the department or its fiduciary  
16 evidence satisfactory to the department or its  
17 fiduciary that the bond or coupon was lost, stolen, or  
18 destroyed and that the holder was the owner thereof;  
19 and

20 (3) Has furnished indemnity satisfactory to the  
21 department.



1 (d) The department may provide that CUSIP identification  
2 numbers be printed on the special purpose revenue bonds. If  
3 numbers are imprinted on the bonds:

4 (1) No such number shall constitute a part of the contract  
5 evidenced by the particular bond upon which it is  
6 imprinted; and

7 (2) No liability shall attach to the department or any  
8 officer or agent thereof, including any fiscal agent,  
9 paying agent, or registrar for the bonds, by reason of  
10 the numbers or any use made thereof, including any use  
11 thereof made by the department, any officer, or any  
12 agent, or by reason of any inaccuracy, error, or  
13 omission with respect thereto or in any use.

14 The department may require that all costs of obtaining and  
15 imprinting the numbers shall be paid by the purchaser of the  
16 bonds. For the purpose of this subsection, the term "CUSIP  
17 identification numbers" means the numbering system adopted by  
18 the Committee for Uniform Security Identification Procedures  
19 formed by the Securities Industry Association.

20 **§39A-H Special purpose revenue bond anticipation notes.**

21 Whenever the department has authorized the issuance of special  
22 purpose revenue bonds under this part, special purpose revenue



1 bond anticipation notes of the department may be issued in  
2 anticipation of the issuance of the bonds and of the receipt of  
3 the proceeds of sale thereof, for the purposes for which the  
4 bonds have been authorized. All special purpose revenue bond  
5 anticipation notes shall be authorized by the department, and  
6 the maximum principal amount of the notes shall not exceed the  
7 authorized principal amount of the bonds. The notes shall be  
8 payable solely from and secured solely by the proceeds of sale  
9 of the special purpose revenue bonds in anticipation of which  
10 the notes are issued and the revenues from which would be  
11 payable and by which the bonds would be secured; provided that  
12 to the extent that the principal of the notes shall be paid from  
13 moneys other than the proceeds of sale of the bonds, the maximum  
14 amount of bonds in anticipation of which the notes are issued  
15 that has been authorized shall be reduced by the amount of notes  
16 paid in such manner. The authorization, issuance, and the  
17 details of the notes shall be governed by this part with respect  
18 to special purpose revenue bonds insofar as the same may be  
19 applicable; provided that each note, together with all renewals  
20 and extensions thereof, or refundings thereof by other notes  
21 issued under this section, shall mature within five years from  
22 the date of the original note.



1           **§39A-I Powers with respect to and security for special**  
2 **purpose revenue bonds.** In order to secure the payment of any of  
3 the special purpose revenue bonds issued pursuant to this part  
4 and interest thereon, or in connection with the bonds, the  
5 department shall have the power:

6           (1) To pledge all or any part of the revenues derived by  
7           the department from the project agreement to the  
8           punctual payment of special purpose revenue bonds  
9           issued with respect to the project financed from  
10          proceeds thereof and interest thereon, and to covenant  
11          against thereafter pledging any revenues or receipts  
12          to any other bonds or any other obligations of the  
13          department for any other purpose, except as otherwise  
14          stated in the law providing for the issuance of  
15          additional special purpose revenue bonds to be equally  
16          and ratably secured by a lien upon the revenues;

17          (2) To pledge and assign the interest and right of the  
18          department under the project agreement and other  
19          agreements related thereto and the rights, duties, and  
20          obligations of the department thereunder, including  
21          the right to receive revenues thereunder;



- 1           (3) To covenant as to the use and disposition of the  
2           proceeds from the sale of the bonds;
- 3           (4) To covenant to set aside or pay over reserves and  
4           sinking funds for the bonds and as to the disposition  
5           thereof;
- 6           (5) To covenant and prescribe as to what happenings or  
7           occurrences shall constitute "events of default" and  
8           the terms and conditions upon which any or all of the  
9           bonds shall become or may be declared due before  
10          maturity and as to the terms and conditions upon which  
11          the declaration and its consequences may be waived;
- 12          (6) To covenant as to the rights, liabilities, powers, and  
13          duties arising upon the breach by it of any covenant,  
14          condition, or obligation;
- 15          (7) To designate a national or state bank or trust company  
16          within or without the State, incorporated in the  
17          United States, to serve as trustee for the holders of  
18          the special purpose revenue bonds and to enter into a  
19          trust indenture or trust agreement or indenture of  
20          mortgage with the trustee. The trustee may be  
21          authorized by the department to receive and receipt  
22          for, hold, and administer the proceeds of the special



1           purpose revenue bonds issued for the project and to  
2           apply the proceeds to the purposes for which the bonds  
3           are issued, or to receive and receipt for; hold, and  
4           administer the revenues derived by the department  
5           under the project agreement and to apply the revenues  
6           to the payment of the principal and interest on the  
7           bonds, or both, and any excess revenues to the payment  
8           of expenses incurred by the State in administering the  
9           bonds or in carrying out the project agreement. If a  
10          trustee is appointed, any trust indenture or trust  
11          agreement or indenture of mortgage entered into by the  
12          department with the trustee may contain whatever  
13          covenants and provisions as may be necessary or  
14          convenient or desirable in order to secure the bonds.  
15          The department may pledge and assign to the trustee  
16          the interest of the department under the project  
17          agreement and other agreements related thereto and the  
18          rights, duties, and obligations of the department  
19          thereunder, including the right to receive revenues  
20          thereunder. The department may appoint the trustee to  
21          serve as fiscal agent for the payment of the principal  
22          and interest, and for the purchase, registration,



1 transfer, exchange, and redemption of the special  
2 purpose revenue bonds, and may authorize and empower  
3 the trustee to perform these functions with respect to  
4 the payment, purchase, registration, transfer,  
5 exchange, and redemption, as the department may deem  
6 necessary, advisable, or expedient, including without  
7 limitation the holding of the special purpose revenue  
8 bonds and coupons that have been paid and the  
9 supervision of the destruction thereof in accordance  
10 with law;

11 (8) To execute all instruments necessary or convenient in  
12 the exercise of the powers herein granted or in the  
13 performance of its covenants and duties; and

14 (9) To make covenants and do any and all acts and things  
15 as may be necessary or convenient or desirable in  
16 order to secure the bonds, notwithstanding that the  
17 covenants, acts, or things may not be enumerated  
18 herein; it being the purpose thereof to give the  
19 department power to do all things in the issuance of  
20 the bonds and for their security that may be  
21 consistent with the Constitution of the State of  
22 Hawaii.



1           **§39A-J Security for special purpose revenue bonds.**

2 Special purpose revenue bonds shall be payable solely from the  
3 revenues derived by the department from payments made to the  
4 department under the project agreement or other agreements  
5 entered into with respect to the project and shall be secured  
6 solely by the bond revenues and by the pledges and assignments  
7 authorized by this part. All special purpose revenue bonds of  
8 the same issue, subject to the prior and superior rights of  
9 outstanding bonds, claims, obligations, or mechanic's and  
10 materialman's liens, shall have a prior and paramount lien on  
11 the revenues derived from the project agreement with respect to  
12 the project, for which the bonds have been issued, over and  
13 ahead of all special purpose revenue bonds of any issue payable  
14 from the revenues that may be subsequently issued and over and  
15 ahead of any claims or obligations of any nature against the  
16 revenues subsequently arising or subsequently incurred; provided  
17 that the department may reserve the right and privilege to  
18 subsequently issue additional series of special purpose revenue  
19 bonds, from time to time, payable from the revenues derived from  
20 the project agreement on a parity with the special purpose  
21 revenue bonds theretofore issued, and the subsequently issued  
22 series of special purpose revenue bonds may be secured, without



1 priority by reason of date of sale, date of execution, or date  
2 of delivery, by a lien on the revenues in accordance with law,  
3 including this part.

4       **§39A-K Special purpose revenue bonds not a general**  
5 **obligation of the State.** No holder or holders of any special  
6 purpose revenue bonds issued under this part shall ever have the  
7 right to compel any exercise of taxing power of the State to pay  
8 for the bonds or the interest thereon and no moneys other than  
9 the revenues pledged to the bonds shall be applied to the  
10 payment thereof. Each special purpose revenue bond issued under  
11 this part shall recite in substance that the bond, including  
12 interest thereon, is not a general obligation of the State and  
13 is payable solely from the revenues pledged to the payment  
14 thereof, and that the bond is not secured directly or indirectly  
15 by the full faith and credit or the general credit of the State  
16 or by any revenues or taxes of the State other than the revenues  
17 specifically pledged thereto.

18       **§39A-L Validity of special purpose revenue bonds.** The  
19 special purpose revenue bonds bearing the signature or facsimile  
20 signature of officers in office on the date of the signing  
21 thereof shall be valid and sufficient for all purposes,  
22 notwithstanding that before the delivery thereof and payment



1 therefor any or all the persons whose signatures appear thereon  
2 shall have ceased to be officers of the department. Special  
3 purpose revenue bonds shall contain a recital that they are  
4 issued pursuant to this part, which recital shall be conclusive  
5 evidence of their validity and of the regularity of their  
6 issuance.

7 **§39A-M Use of revenues derived from project agreement.**

8 The department shall have the right to appropriate, apply, or  
9 expend the revenues derived with respect to the project  
10 agreement for a project for the following purposes:

11 (1) To pay when due all special purpose revenue bonds,  
12 premiums if any and interest thereon, for the payment  
13 of which the revenues are or have been pledged,  
14 charged, or otherwise encumbered, including reserves  
15 therefor; and

16 (2) To the extent not paid by the project party to provide  
17 for all expenses of administration, operations, and  
18 maintenance of the project, including reserves  
19 therefor.

20 Unless and until adequate provision has been made for the  
21 foregoing purposes, the department shall not transfer the



1 revenues derived from the project agreement to the general fund  
2 of the State.

3 **§39A-N Special purpose revenue bonds exempt from taxation.**

4 Special purpose revenue bonds and the income therefrom issued  
5 pursuant to this part shall be exempt from all state and county  
6 taxation except inheritance, transfer, and estate taxes.

7 **§39A-O Federal tax exempt status.** Special purpose revenue  
8 bonds issued pursuant to this part, to the extent practicable,  
9 shall be issued to comply with requirements imposed by  
10 applicable federal law providing that the interest on the  
11 special purpose revenue bonds shall be excluded from gross  
12 income for federal income tax purposes (except as certain  
13 minimum taxes or environmental taxes may apply). The director  
14 of finance may enter into agreements, establish funds or  
15 accounts, and take any action required to comply with applicable  
16 federal law. Nothing in this part shall be deemed to prohibit  
17 the issuance of special purpose revenue bonds, the interest on  
18 which may be included in gross income for federal income tax  
19 purposes.

20 **§39A-P Exemption from taxation of department property.**

21 All revenues derived by the department from any project or under  
22 the project agreement pertaining thereto shall be exempt from



1 all state and county taxation. Any right, title, and interest  
2 of the department in any project shall also be exempt from all  
3 state and county taxation.

4 Except as otherwise provided by law, the interest of the  
5 project party or user of the project under the project agreement  
6 or related agreement shall not be exempt from taxation to a  
7 greater extent than it would be if the costs of the project were  
8 directly financed by the project party or other user.

9 **§39A-Q Refunding special purpose revenue bonds.** The  
10 legislature, by act enacted by an affirmative vote of two-thirds  
11 of the members to which each house is entitled, may authorize  
12 the issuance of refunding special purpose revenue bonds for the  
13 purpose of refunding any special purpose revenue bonds then  
14 outstanding and issued under this part, whether or not the  
15 outstanding special purpose revenue bonds have matured or are  
16 then subject to redemption. The legislature may provide, by act  
17 enacted by an affirmative vote of two-thirds of the members to  
18 which each house is entitled, for the issuance of a single issue  
19 of special purpose revenue bonds for the combined purposes of:

20 (1) Financing the cost of a project or improvement or  
21 expansion thereof; and



1           (2) Refunding special purpose revenue bonds that shall  
2           therefore have been issued under this part and shall  
3           then be outstanding, whether or not the outstanding  
4           special purpose revenue bonds have matured or are then  
5           subject to redemption.

6 Nothing in this section shall require or be deemed to require  
7 the department to elect to redeem or prepay special purpose  
8 revenue bonds being refunded, or to redeem or prepay special  
9 purpose revenue bonds being refunded that were issued in the  
10 form customarily known as term bonds in accordance with any  
11 sinking fund installment schedule specified in any instruments  
12 providing for the issuance thereof, or, if the department elects  
13 to redeem or prepay any bonds, to redeem or prepay as of any  
14 particular date or dates. The issuance of refunding special  
15 purpose revenue bonds, the maturities and other details thereof,  
16 the rights and remedies of the holders thereof, and the rights,  
17 powers, privileges, duties, and obligations of the department  
18 with respect to the same, shall be governed by the foregoing  
19 provisions of this part insofar as the same may be applicable.

20           **§39A-R Status of special purpose revenue bonds under the**  
21 **Uniform Commercial Code.** Notwithstanding any of the provisions  
22 of this part or any recitals in any special purpose revenue



1 bonds issued under this part, all special purpose revenue bonds  
2 shall be deemed to be investment securities under the Uniform  
3 Commercial Code, chapter 490, subject only to the provisions of  
4 the special purpose revenue bonds pertaining to registration.

5 **§39A-S Special purpose revenue bonds as legal investments**  
6 **and lawful security.** The special purpose revenue bonds issued  
7 pursuant to this part shall be legal and authorized investments  
8 for banks, savings banks, trust companies, savings and loan  
9 associations, insurance companies, credit unions, fiduciaries,  
10 trustees, guardians, and for all public funds of the State or  
11 other political corporations or subdivisions of the State. The  
12 special purpose revenue bonds shall be eligible to secure the  
13 deposit of any and all public funds of the State and any and all  
14 public funds of counties or other political corporations or  
15 subdivisions of the State, and the bonds shall be lawful and  
16 sufficient security for public fund deposits to the extent of  
17 their value when accompanied by all unmatured coupons  
18 appertaining thereto.

19 **§39A-T Access to and public disclosure of financial**  
20 **records of project party.** (a) Each project party with a  
21 project agreement with the department shall allow the department  
22 full access to the project party's financial records. Upon the



1 request of the department for the examination of any financial  
2 record, the project party shall allow the department to examine  
3 the requested records within a reasonably prompt time from the  
4 date of the request. If the department requests copies of the  
5 records, the project party shall provide the copies.

6 (b) To provide the public with full knowledge of the use  
7 of the proceeds and benefits derived from special purpose  
8 revenue bonds issued under this part, the department shall  
9 require each project party with a project agreement with the  
10 department to make available to the public all relevant  
11 financial records that pertain to the use of or savings  
12 resulting from the use of special purpose revenue bonds.

13 (c) The department shall adopt rules under chapter 91 for  
14 the purposes of this section.

15 **§39A-U Estimate of benefits.** (a) Each project party with  
16 a project agreement with the department shall estimate the  
17 benefits derived from the use of the proceeds of special purpose  
18 revenue bonds. The benefits estimated shall be based on the  
19 creation of new jobs and potential effect on tax receipts. The  
20 format of and method for determining the estimates shall be  
21 established by the department and shall be uniform for each  
22 project party.



1 (b) To promote public understanding of the role played by  
2 special purpose revenue bonds in providing benefits to the  
3 general public, the department shall take appropriate steps to  
4 ensure public access to and scrutiny of the estimates determined  
5 under subsection (a).

6 (c) The department shall adopt rules under chapter 91 for  
7 the purposes of this section.

8 **§39A-V Construction of this part.** The powers conferred by  
9 this part shall be in addition and supplemental to the powers  
10 conferred by any other law. Insofar as the provisions of this  
11 part are inconsistent with the provisions of any other law, this  
12 part shall control."

13 SECTION 2. In codifying the new sections added by section  
14 1 of this Act, the revisor of statutes shall substitute  
15 appropriate section numbers for the letters used in designating  
16 the new sections in this Act.

17 SECTION 3. This Act shall take effect upon its approval  
18 and upon ratification of constitutional amendments authorizing  
19 the State to issue special purpose revenue bonds and use the



1 proceeds from the bonds to assist not-for-profit organizations  
2 that support charter schools.

3

INTRODUCED BY:

Norman Sankomfo  
Randy de la



**Report Title:**

Charter Schools; SPRBs

**Description:**

Authorizes the issuance of special purpose revenue bonds to not-for-profit organizations that support charter schools.

