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# A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Allowing the University of Hawaii to issue  
2 revenue bonds helps to address the university's deferred  
3 maintenance and capital modernization of its aging facilities.  
4 University revenue bonds have been used to finance the  
5 construction of new projects as well as the renovation and major  
6 repair of existing facilities. University projects have  
7 included faculty and student housing; additional classroom,  
8 laboratory, and office space; research facilities, utility  
9 facilities, and other infrastructure requirements; libraries;  
10 student support facilities; parking structures; and athletic  
11 facilities.

12           State financing support of university facilities is the  
13 primary method of funding Hawaii's public university. The State  
14 and the university have always considered general obligation  
15 bonds as the first approach and means to finance the  
16 modernization of the university's campuses. The availability of  
17 revenue bonds authority would be a strategic revenue source and



1 supplement to limited general obligation bond funding and only  
2 used for financing projects that are revenue-generating or  
3 financially appropriate for the university.

4 The purpose of this Act is to authorize the University of  
5 Hawaii to issue revenue bonds to complete as many of its  
6 priority capital facility construction, renovation,  
7 modernization, and repair projects as possible.

8 SECTION 2. The board of regents of the University of  
9 Hawaii, with the approval of the governor, is authorized to  
10 issue revenue bonds from time to time to finance, in whole or in  
11 part, the costs of construction or the costs of maintenance of  
12 any university project, including funding reserves therefor as  
13 the board of regents may direct. The total principal amount of  
14 the revenue bonds authorized by this Act shall not exceed  
15 \$100,000,000; provided that neither revenue bonds issued to  
16 refund revenue bonds heretofore issued, to the extent that such  
17 refunding revenue bonds do not exceed the principal amount of  
18 the revenue bonds being refunded, nor revenue bonds of the board  
19 outstanding at the effective date of this Act shall cause the  
20 amount of the above authorization to be decreased. The revenue  
21 bonds shall be issued pursuant to the provisions of part VI of



1 chapter 304A, Hawaii Revised Statutes. The principal and  
2 interest on the revenue bonds, to the extent not paid from the  
3 proceeds of such bonds, shall be paid solely from and secured  
4 solely by the revenue of the university as defined in section  
5 304A-2671, Hawaii Revised Statutes.

6 SECTION 3. There is appropriated out of the revenue bond  
7 proceeds and interest earned thereon authorized by this Act the  
8 sum of \$100,000,000 or so much thereof as may be necessary for  
9 fiscal year 2018-2019 to carry out the purposes of section 2 of  
10 this Act; provided that any unexpended and unencumbered balance  
11 of the appropriation shall not lapse at the end of fiscal year  
12 2018-2019 and shall lapse instead on June 30, 2022.

13 The sum appropriated shall be expended by the board of  
14 regents of the University of Hawaii.

15 SECTION 4. The University of Hawaii shall notify the  
16 legislature upon issue of the revenue bonds authorized by  
17 section 2 of this Act, including a detailed listing and  
18 description of all projects to be funded through the revenue  
19 bonds authorized pursuant to this Act.

20 SECTION 5. This Act shall take effect upon approval.



**Report Title:**

UH; Authorization of Revenue Bonds; Appropriation

**Description:**

Authorizes the University of Hawaii to issue revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

