
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 Hawai'i to issue
2 revenue bonds helps to address the university's deferred
3 maintenance and capital modernization for its aging facilities.
4 University revenue bonds have been utilized to finance the
5 construction of new projects and the renovation and major repair
6 of existing facilities. University projects have included,
7 faculty and student housing; classroom, laboratory, and office
8 space; student support, research, athletic, and utility
9 facilities; libraries; and parking structures.

10 State financing support of university facilities is the
11 primary method of funding Hawai'i's public university. The State
12 of Hawai'i and the University of Hawai'i have always considered
13 general obligation bonds as the first approach and means to
14 finance modernizing the university's campuses. The availability
15 of revenue bond authority would be a strategic revenue source
16 and supplement to limited general obligation funding and only



1 used for financing projects that are revenue-generating or
2 financially appropriate for the University of Hawai'i.

3 The purpose of this Act is to authorize the University of
4 Hawai'i to issue \$100,000,000 in revenue bonds to complete as
5 many of its priority capital facility construction, renovation,
6 modernization, and repair projects as possible.

7 SECTION 2. The board of regents of the University of
8 Hawai'i, with the approval of the governor, is authorized to
9 issue revenue bonds from time to time to finance, in whole or in
10 part, the costs of construction or the costs of maintenance and
11 modernization, or both, of any university project, including
12 reserves therefor as the board of regents may direct. The total
13 principal amount of the revenue bonds authorized by this Act
14 shall not exceed \$100,000,000; provided that neither revenue
15 bonds issued to refund revenue bonds heretofore issued, to the
16 extent that such refunding revenue bonds do not exceed the
17 principal amount of the revenue bonds being refunded, nor
18 revenue bonds of the board outstanding at the effective date of
19 this Act shall cause the amount of the above authorization to be
20 decreased. The revenue bonds shall be issued pursuant to the
21 provisions of part VI of chapter 304A, Hawaii Revised Statutes.



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

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

12 The sum appropriated shall be expended by the board of
13 regents of the University of Hawai'i.

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

19 SECTION 5. This Act shall take effect on July 1, 2018.

20



Report Title:

University of Hawai'i; Authorization of Revenue Bonds

Description:

Authorizes the University of Hawai'i to issue \$100,000,000 in revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects. (SD1)

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