



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 22, 2018

**GOV. MSG. NO. 1154**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 22, 2018, the following bill was signed into law:

HB1604 SD1 CD1

RELATING TO STATE BONDS  
**ACT 054 (18)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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# A BILL FOR AN ACT

RELATING TO STATE BONDS.

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

1 PART I

2 SECTION 1. Declaration of findings with respect to the  
3 general obligation bonds authorized by this Act. Pursuant to  
4 article VII, section 13, of the state constitution, which  
5 states: "Effective July 1, 1980, the legislature shall include  
6 a declaration of findings in every general law authorizing the  
7 issuance of general obligation bonds that the total amount of  
8 principal and interest, estimated for such bonds and for all  
9 bonds authorized and unissued and calculated for all bonds  
10 issued and outstanding, will not cause the debt limit to be  
11 exceeded at the time of issuance", the legislature finds and  
12 declares as follows:

13 (1) Limitation on general obligation debt. The debt limit  
14 of the State is set forth in article VII, section 13,  
15 of the state constitution, which states in part:  
16 "General obligation bonds may be issued by the State;  
17 provided that such bonds at the time of issuance would  
18 not cause the total amount of principal and interest



1 payable in the current or any future fiscal year,  
2 whichever is higher, on such bonds and on all  
3 outstanding general obligation bonds to exceed: a sum  
4 equal to twenty percent of the average of the general  
5 fund revenues of the State in the three fiscal years  
6 immediately preceding such issuance until June 30,  
7 1982; and thereafter, a sum equal to eighteen and one-  
8 half percent of the average of the general fund  
9 revenues of the State in the three fiscal years  
10 immediately preceding such issuance." Article VII,  
11 section 13, of the state constitution also provides  
12 that in determining the power of the State to issue  
13 general obligation bonds, certain bonds are  
14 excludable, including "[r]eimburseable general  
15 obligation bonds issued for a public undertaking,  
16 improvement or system but only to the extent that  
17 reimbursements to the general fund are in fact made  
18 from the net revenue, or net user tax receipts, or  
19 combination of both, as determined for the immediately  
20 preceding fiscal year" and bonds constituting  
21 instruments of indebtedness under which the State



1 incurs a contingent liability as a guarantor, but only  
2 to the extent the principal amount of those bonds does  
3 not exceed seven per cent of the principal amount of  
4 outstanding general obligation bonds not otherwise  
5 excluded under said article VII, section 13, of the  
6 state constitution.

7 (2) Actual and estimated debt limits. The limit on  
8 principal and interest of general obligation bonds  
9 issued by the State, actual for fiscal year 2017-2018  
10 and estimated for each fiscal year from 2018-2019 to  
11 2020-2021, is as follows:

12	Fiscal	Net General	
13	<u>Year</u>	<u>Fund Revenues</u>	<u>Debt Limit</u>
14	2014-2015	\$6,569,327,192	
15	2015-2016	7,075,981,186	
16	2016-2017	7,346,008,625	
17	2017-2018	7,511,556,000	\$1,294,464,549
18	2018-2019	7,712,224,000	1,352,568,658
19	2019-2020	8,033,135,000	1,391,803,632
20	2020-2021	(not applicable)	1,434,176,425
21			

22 For fiscal years 2017-2018, 2018-2019, 2019-2020, and  
23 2020-2021, respectively, the debt limit is derived by  
24 multiplying the average of the net general fund  
25 revenues for the three preceding fiscal years by



1           eighteen and one-half per cent. The net general fund  
2           revenues for fiscal years 2014-2015, 2015-2016, and  
3           2016-2017 are actual, as certified by the director of  
4           finance in the Statement of the Debt Limit of the  
5           State of Hawaii as of July 1, 2017, dated November 17,  
6           2017. The net general fund revenues for fiscal years  
7           2017-2018 to 2019-2020 are estimates, based on general  
8           fund revenue estimates made as of March 15, 2018, by  
9           the council on revenues, the body assigned by Article  
10          VII, Section 7, of the State Constitution to make such  
11          estimates, and based on estimates made by the  
12          department of budget and finance of those receipts  
13          that cannot be included as general fund revenues for  
14          the purpose of calculating the debt limit, all of  
15          which estimates the legislature finds to be  
16          reasonable.

17          (3) Principal and interest on outstanding bonds applicable  
18          to the debt limit.

19           (A) According to the department of budget and  
20           finance, the total amount of principal and  
21           interest on outstanding general obligation bonds,



1 after the exclusions permitted by article VII,  
 2 section 13, of the state constitution, for  
 3 determining the power of the State to issue  
 4 general obligation bonds within the debt limit as  
 5 of April 1, 2018, is as follows for fiscal year  
 6 2018-2019 to fiscal year 2024-2025:

7	<u>Fiscal</u>	<u>Principal</u>
8	<u>Year</u>	<u>and Interest</u>
9	2018-2019	\$774,585,675
10	2019-2020	786,230,762
11	2020-2021	721,950,216
12	2021-2022	706,734,112
13	2022-2023	688,397,734
14	2023-2024	674,529,233
15	2024-2025	635,077,597

16 The department of budget and finance further  
 17 reports that the amount of principal and interest  
 18 on outstanding bonds applicable to the debt limit  
 19 generally continues to decline each year from  
 20 fiscal year 2025-2026 to fiscal year 2037-2038  
 21 when the final installment of \$54,951,750 shall  
 22 be due and payable.

23 (B) The department of budget and finance further  
 24 reports that the outstanding principal amount of



1 bonds constituting instruments of indebtedness  
2 under which the State may incur a contingent  
3 liability as a guarantor is \$233,500,000, all or  
4 part of which is excludable in determining the  
5 power of the State to issue general obligation  
6 bonds, pursuant to article VII, section 13, of  
7 the state constitution.

8 (4) Amount of authorized and unissued general obligation  
9 bonds and guaranties and proposed bonds and  
10 guaranties.

11 (A) As calculated from the state comptroller's bond  
12 fund report as of March 31, 2018, adjusted for:  
13 (i) Appropriations to be funded by general  
14 obligation bonds or reimbursable general  
15 obligation bonds as provided in Act 49,  
16 Session Laws of Hawaii 2017 (the General  
17 Appropriations Act of 2017), to be expended  
18 in fiscal year 2018-2019, adjusted for  
19 additional appropriations provided in House  
20 Bill No. 1900, H.D. 1, S.D. 2, C.D. 1 (the  
21 Supplemental Appropriations Act of 2018);



1 (ii) Lapses as provided in House Bill No. 1900,  
2 H.D. 1, S.D. 2, C.D. 1 (the Supplemental  
3 Appropriations Act of 2018);

4 (iii) Appropriations to be funded by general  
5 obligation bonds or reimbursable general  
6 obligation bonds as provided in Act 195,  
7 Session Laws of Hawaii 2017 (the Judiciary  
8 Appropriations Act of 2017), to be expended  
9 in fiscal year 2018-2019, adjusted for  
10 additional appropriations provided in Senate  
11 Bill No. 2150, S.D. 2, H.D. 1, C.D. 1 (the  
12 Judiciary Supplemental Appropriations Act of  
13 2018); and

14 (iv) Lapses as provided in Senate Bill No. 2150,  
15 S.D. 2, H.D. 1, C.D. 1 (the Judiciary  
16 Supplemental Appropriations Act of 2018);  
17 the total amount of authorized but unissued  
18 general obligation bonds is \$2,312,750,799. The  
19 total amount of general obligation bonds  
20 authorized in this Act is \$717,809,000. The  
21 total amount of general obligation bonds





1                   previously authorized and unissued, as adjusted,  
2                   and the general obligation bonds authorized in  
3                   this Act is \$3,030,559,799.

4                   (B) As reported by the department of budget and  
5                   finance the outstanding principal amount of bonds  
6                   constituting instruments of indebtedness under  
7                   which the State may incur a contingent liability  
8                   as a guarantor is \$233,500,000, all or part of  
9                   which is excludable in determining the power of  
10                  the State to issue general obligation bonds,  
11                  pursuant to Article VII, Section 13, of the State  
12                  Constitution.

13                  (5) Proposed general obligation bond issuance. As  
14                  reported therein for the fiscal years 2018-2019, 2019-  
15                  2020, and 2020-2021, the State proposes to issue  
16                  \$505,000,000 in general obligation bonds during the  
17                  first half of fiscal year 2018-2019, \$475,000,000 in  
18                  general obligation bonds during the second half of  
19                  fiscal year 2018-2019, \$500,000,000 in general  
20                  obligation bonds during the first half of fiscal year  
21                  2019-2020, \$520,000,000 in general obligation bonds



1 during the second half of fiscal year 2019-2020,  
2 \$500,000,000 in general obligation bonds during the  
3 first half of fiscal year 2020-2021, and \$550,000,000  
4 in general obligation bonds during the second half of  
5 fiscal year 2020-2021. Generally, it has been the  
6 practice of the State to issue twenty-year serial  
7 bonds with principal repayments beginning in the third  
8 year, the bonds payable in substantially equal annual  
9 installments of principal and interest payment with  
10 interest payments commencing six months from the date  
11 of issuance and being paid semi-annually thereafter.  
12 It is assumed that this practice will continue to be  
13 applied to the bonds that are proposed to be issued.

14 (6) Sufficiency of proposed general obligation bond  
15 issuance to meet the requirements of authorized and  
16 unissued bonds, as adjusted, and bonds authorized by  
17 this Act. From the schedule reported in paragraph  
18 (5), the total amount of general obligation bonds that  
19 the State proposes to issue during the fiscal years  
20 2018-2019 to 2019-2020 is \$2,000,000,000. An  
21 additional \$1,050,000,000 is proposed to be issued in



1 fiscal year 2020-2021. The total amount of  
2 \$2,000,000,000 that is proposed to be issued through  
3 fiscal year 2019-2020 is sufficient to meet the  
4 requirements of the authorized and unissued bonds, as  
5 adjusted, the total amount of which is \$3,030,559,799  
6 reported in paragraph (4), except for \$1,030,559,799.  
7 It is assumed that the appropriations to which an  
8 additional \$1,030,559,799 in bond issuance needs to be  
9 applied will have been encumbered as of June 30, 2020.  
10 The \$1,050,000,000 that is proposed to be issued in  
11 fiscal year 2020-2021 will be sufficient to meet the  
12 requirements of the June 30, 2020, encumbrances in the  
13 amount of \$1,030,559,799. The amount of assumed  
14 encumbrances as of June 30, 2020, is reasonable and  
15 conservative, based upon an inspection of June 30  
16 encumbrances of the general obligation bond fund as  
17 reported by the state comptroller. Thus, taking into  
18 account the amount of authorized and unissued bonds,  
19 as adjusted, and the bonds authorized by this Act  
20 versus the amount of bonds proposed to be issued by  
21 June 30, 2020, and the amount of June 30, 2020,



1 encumbrances versus the amount of bonds proposed to be  
2 issued in fiscal year 2020-2021, the legislature finds  
3 that in the aggregate, the amount of bonds proposed to  
4 be issued is sufficient to meet the requirements of  
5 all authorized and unissued bonds and the bonds  
6 authorized by this Act.

7 (7) Bonds excludable in determining the power of the State  
8 to issue bonds. As noted in paragraph (1), certain  
9 bonds are excludable in determining the power of the  
10 State to issue general obligation bonds.

11 (A) General obligation reimbursable bonds can be  
12 excluded under certain conditions. It is not  
13 possible to make a conclusive determination as to  
14 the amount of reimbursable bonds which are  
15 excludable from the amount of each proposed bond  
16 issued because:

17 (i) It is not known exactly when projects for  
18 which reimbursable bonds have been  
19 authorized in prior acts and in this Act  
20 will be implemented and will require the



1 application of proceeds from a particular  
2 bond issue; and

3 (ii) Not all reimbursable general obligation  
4 bonds may qualify for exclusion.

5 However, the legislature notes that with respect  
6 to the principal and interest on outstanding  
7 general obligation bonds, according to the  
8 department of budget and finance, the average  
9 proportion of principal and interest that is  
10 excludable each year from the calculation against  
11 the debt limit is 0.82 per cent for approximately  
12 ten years from fiscal year 2017-2018 to fiscal  
13 year 2026-2027. For the purpose of this  
14 declaration, the assumption is made that 0.75 per  
15 cent of each bond issue will be excludable from  
16 the debt limit, an assumption that the  
17 legislature finds to be reasonable and  
18 conservative.

19 (B) Bonds constituting instruments of indebtedness  
20 under which the State incurs a contingent  
21 liability as a guarantor can be excluded, but



1           only to the extent the principal amount of those  
2           guaranties does not exceed seven per cent of the  
3           principal amount of outstanding general  
4           obligation bonds not otherwise excluded under  
5           subparagraph (A) of this paragraph (7); and  
6           provided that the State shall establish and  
7           maintain a reserve in an amount in reasonable  
8           proportion to the outstanding loans guaranteed by  
9           the State as provided by law. According to the  
10          department of budget and finance and the  
11          assumptions presented herein, the total principal  
12          amount of outstanding general obligation bonds  
13          and general obligation bonds proposed to be  
14          issued, which are not otherwise excluded under  
15          article VII, section 13, of the state  
16          constitution for the fiscal years 2017-2018,  
17          2018-2019, 2019-2020, and 2020-2021, are as  
18          follows:

19



1		Total amount of
2		general obligation bonds
3		not otherwise excluded by
4		article VII, section 13
5	<u>Fiscal Year</u>	<u>of the state constitution</u>
6	2017-2018	\$7,238,578,064
7	2018-2019	8,211,233,064
8	2019-2020	9,223,583,064
9	2020-2021	10,265,708,064
10	Based on the foregoing and based on the assumption	
11	that the full amount of a guaranty is immediately due	
12	and payable when such guaranty changes from a	
13	contingent liability to an actual liability, the	
14	aggregate principal amount of the portion of the	
15	outstanding guaranties and the guaranties proposed to	
16	be incurred, which does not exceed seven per cent of	
17	the average amount set forth in the last column of the	
18	above table and for which reserve funds have been or	
19	will have been established as heretofore provided, can	
20	be excluded in determining the power of the State to	
21	issue general obligation bonds. As it is not possible	
22	to predict with a reasonable degree of certainty when	
23	a guaranty will change from a contingent liability to	
24	an actual liability, it is assumed in conformity with	



1 fiscal conservatism and prudence, that all guaranties  
2 not otherwise excluded pursuant to article VII,  
3 section 13, of the state constitution will become due  
4 and payable in the same fiscal year in which the  
5 greatest amount of principal and interest on general  
6 obligation bonds, after exclusions, occurs. Thus,  
7 based on such assumptions and on the determination in  
8 paragraph (8), all of the outstanding guaranties can  
9 be excluded.

10 (8) Determination whether the debt limit will be exceeded  
11 at the time of issuance. From the foregoing and on  
12 the assumption that all of the bonds identified in  
13 paragraph (5) will be issued at an interest rate not  
14 to exceed 5.75 per cent in fiscal years 2019 through  
15 2021, it can be determined from the following schedule  
16 that the bonds that are proposed to be issued, which  
17 include all authorized and unissued bonds previously  
18 authorized, as adjusted, general obligation bonds, and  
19 instruments of indebtedness under which the State  
20 incurs a contingent liability as a guarantor





1 authorized in this Act, will not cause the debt limit  
2 to be exceeded at the time of such issuance:

3	4	5	6	7
	Time of Issuance and Amount to be Counted Against <u>Debt Limit</u>	Debt Limit at Time of <u>Issuance</u>	Greatest Amount and Year of Highest Principal and Interest <u>on Bonds and Guaranties</u>	
8	1st half FY 2018-2019			
9	\$501,215,000	1,352,568,658	806,552,645	(2019-2020)
10	2nd half FY 2018-2019			
11	\$471,440,000	1,352,568,658	806,552,645	(2019-2020)
12	1st half FY 2019-2020			
13	\$496,250,000	1,391,803,632	829,332,457	(2021-2022)
14	2nd half FY 2019-2020			
15	\$516,100,000	1,391,803,632	875,587,775	(2022-2023)
16	1st half FY 2020-2021			
17	\$496,250,000	1,434,176,425	908,222,905	(2023-2024)
18	2nd half FY 2020-2021			
19	\$545,875,000	1,434,176,425	957,695,717	(2023-2024)
20				

21 (9) Overall and concluding finding. From the facts,  
22 estimates, and assumptions stated in this declaration  
23 of findings, the conclusion is reached that the total  
24 amount of principal and interest estimated for the  
25 general obligation bonds authorized in this Act, and  
26 for all bonds authorized and unissued, and calculated  
27 for all bonds issued and outstanding, and all  
28 guaranties, will not cause the debt limit to be  
29 exceeded at the time of issuance.



1 SECTION 2. The legislature finds the bases for the  
2 declaration of findings set forth in this Act are reasonable.  
3 The assumptions set forth in this Act with respect to the  
4 principal amount of general obligation bonds that will be  
5 issued, the amount of principal and interest on reimbursable  
6 general obligation bonds that are assumed to be excludable, and  
7 the assumed maturity structure shall not be deemed to be  
8 binding, it being the understanding of the legislature that such  
9 matters must remain subject to substantial flexibility.

10 SECTION 3. Authorization for issuance of general  
11 obligation bonds. General obligation bonds may be issued as  
12 provided by law in an amount that may be necessary to finance  
13 projects authorized in House Bill No. 1900, H.D. 1, S.D. 2, C.D.  
14 1 (the Supplemental Appropriations Act of 2018) and Senate Bill  
15 No. 2150, S.D. 2, H.D. 1, C.D. 1 (the Judiciary Supplemental  
16 Appropriations Act of 2018); passed by the legislature during  
17 this regular session of 2018 and designated to be financed from  
18 the general obligation bond fund and from the general obligation  
19 bond fund with debt service cost to be paid from special funds;  
20 provided that the sum total of general obligation bonds so  
21 issued shall not exceed \$717,809,000.



1 Any law to the contrary notwithstanding, general obligation  
2 bonds may be issued from time to time in accordance with section  
3 39-16, Hawaii Revised Statutes, in such principal amount as may  
4 be required to refund any general obligation bonds of the State  
5 of Hawaii heretofore or hereafter issued pursuant to law.

6 PART II

7 SECTION 4. House Bill No. 1900, House Draft 1, Senate  
8 Draft 2, Conference Draft 1, Regular Session of 2018, is amended  
9 by amending section 5 as follows:

10 1. By amending the titles and descriptions of items  
11 B.12.01., to B.12.21., to read:

12 "12.01. BOY SCOUTS OF AMERICA, ALOHA COUNCIL  
13  
14 PLANS, LAND ACQUISITION, DESIGN,  
15 CONSTRUCTION, AND EQUIPMENT FOR  
16 RENOVATIONS AT CAMP HONOKAIA AND CAMP  
17 ALAN FAYE. THIS PROJECT QUALIFIES AS A  
18 GRANT, PURSUANT TO CHAPTER 42F, HRS.  
19

20 12.02. BOYS [~~AND~~] & GIRLS CLUB OF MAUI, INC.  
21  
22 PLANS, LAND ACQUISITION, DESIGN,  
23 CONSTRUCTION, AND EQUIPMENT FOR CLUBHOUSE  
24 AT PAUKUKALO. THIS PROJECT QUALIFIES AS  
25 A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
26

27



- 1 12.03. GIRL SCOUTS OF [~~HAWAII~~] HAWAI`I
- 2
- 3 PLANS, LAND ACQUISITION, DESIGN,
- 4 CONSTRUCTION, AND EQUIPMENT FOR AN ACCESS
- 5 ROAD AND DRIVEWAY IMPROVEMENTS FOR CAMP
- 6 PAUMALU. THIS PROJECT QUALIFIES AS A
- 7 GRANT, PURSUANT TO CHAPTER 42F, HRS.
- 8
  
- 9 12.04. HABITAT FOR HUMANITY, HAWAII ISLAND,
- 10 INC.
- 11
- 12 PLANS, LAND ACQUISITION, DESIGN,
- 13 CONSTRUCTION, AND EQUIPMENT FOR
- 14 AFFORDABLE HOUSING FOR LOW-INCOME
- 15 FAMILIES IN WEST HAWAII. THIS PROJECT
- 16 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER
- 17 42F, HRS.
- 18
  
- 19 12.05. HABITAT FOR HUMANITY, MAUI, INC.
- 20
- 21 PLANS, LAND ACQUISITION, DESIGN,
- 22 CONSTRUCTION, AND EQUIPMENT FOR
- 23 AFFORDABLE HOUSING. THIS PROJECT
- 24 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER
- 25 42F, HRS.
- 26
  
- 27 12.06. HALE MAKUA HEALTH SERVICES
- 28
- 29 PLANS, LAND ACQUISITION, DESIGN,
- 30 CONSTRUCTION, AND EQUIPMENT FOR ELDER AND
- 31 DISABLED RESIDENTS. THIS PROJECT
- 32 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER
- 33 42F, HRS.
- 34
  
- 35 12.07. HAMAKUA YOUTH FOUNDATION, INC
- 36
- 37 PLANS, LAND ACQUISITION, DESIGN,
- 38 CONSTRUCTION, AND EQUIPMENT FOR
- 39 RENOVATIONS AND IMPROVEMENTS TO PROPERTY
- 40 AT 45-3400 MAMANE STREET, HONOKAA. THIS
- 41 PROJECT QUALIFIES AS A GRANT, PURSUANT TO
- 42 CHAPTER 42F, HRS.
- 43
- 44



- 1 12.08. HAWAII ISLAND HUMANE SOCIETY S.P.C.A.
- 2
- 3 PLANS, LAND ACQUISITION, DESIGN,
- 4 CONSTRUCTION, AND EQUIPMENT FOR AN ANIMAL
- 5 COMMUNITY CENTER. THIS PROJECT QUALIFIES
- 6 AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.
- 7
  
- 8 12.09. HAWAII ISLAND PORTUGUESE CHAMBER OF
- 9 COMMERCE CULTURAL AND EDUCATIONAL
- 10 CENTER
- 11
- 12 PLANS, LAND ACQUISITION, DESIGN,
- 13 CONSTRUCTION, AND EQUIPMENT FOR A
- 14 PORTUGUESE CULTURAL AND EDUCATIONAL
- 15 CENTER. THIS PROJECT QUALIFIES AS A
- 16 GRANT, PURSUANT TO CHAPTER 42F, HRS.
- 17
  
- 18 12.10. HAWAIIAN HUMANE SOCIETY
- 19
- 20 PLANS, LAND ACQUISITION, DESIGN,
- 21 CONSTRUCTION, AND EQUIPMENT FOR A HUMANE
- 22 SOCIETY CAMPUS IN WEST OAHU. THIS
- 23 PROJECT QUALIFIES AS A GRANT, PURSUANT TO
- 24 CHAPTER 42F, HRS.
- 25
  
- 26 12.11. HONOLULU HABITAT FOR HUMANITY
- 27
- 28 PLANS, LAND ACQUISITION, DESIGN,
- 29 CONSTRUCTION, AND EQUIPMENT FOR
- 30 AFFORDABLE MULTI-FAMILY HOUSING. THIS
- 31 PROJECT QUALIFIES AS A GRANT, PURSUANT TO
- 32 CHAPTER 42F, HRS.
- 33
  
- 34 12.12. [~~KAUAI~~] KAUA`I ECONOMIC OPPORTUNITY,
- 35 [~~INC.~~] INCORPORATED
- 36
- 37 PLANS, LAND ACQUISITION, DESIGN,
- 38 CONSTRUCTION, AND EQUIPMENT FOR FOOD
- 39 SERVICE FACILITY. THIS PROJECT QUALIFIES
- 40 AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.
- 41
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1 12.13. [KAUAI] HABITAT FOR HUMANITY INC.  
 2  
 3 PLANS, LAND ACQUISITION, DESIGN,  
 4 CONSTRUCTION, AND EQUIPMENT FOR  
 5 AFFORDABLE HOUSING. THIS PROJECT  
 6 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 7 42F, HRS.  
 8

9 12.14. KAUAI [PHILIPPINE] PHILIPPINE CULTURAL  
 10 CENTER  
 11  
 12 PLANS, LAND ACQUISITION, DESIGN,  
 13 CONSTRUCTION, AND EQUIPMENT FOR  
 14 PHOTOVOLTAIC SYSTEM. THIS PROJECT  
 15 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 16 42F, HRS.  
 17

18 12.15. [LA'AKEA] LA'AKEA FOUNDATION  
 19  
 20 PLANS, LAND ACQUISITION, DESIGN,  
 21 CONSTRUCTION, AND EQUIPMENT FOR HOUSING  
 22 LOW INCOME AND  
 23 INTELLECTUALLY/DEVELOPMENTALLY DISABLED  
 24 ADULTS. THIS PROJECT QUALIFIES AS A  
 25 GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 26

27 12.16. MAUI ECONOMIC OPPORTUNITY, [INC] INC.  
 28  
 29 PLANS, LAND ACQUISITION, DESIGN,  
 30 CONSTRUCTION, AND EQUIPMENT FOR TRANSIT  
 31 FACILITY MAINTENANCE SHOP. THIS PROJECT  
 32 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 33 42F, HRS.  
 34

35 12.17. MAUI FAMILY [YMCA] YOUNG MEN'S  
 36 CHRISTIAN ASSOCIATION  
 37  
 38 PLANS, LAND ACQUISITION, DESIGN,  
 39 CONSTRUCTION, AND EQUIPMENT FOR A  
 40 GYMNASIUM. THIS PROJECT QUALIFIES AS A  
 41 GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 42

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- 1 12.18. ONE NINETY NINE INITIATIVE
- 2
- 3 PLANS, LAND ACQUISITION, DESIGN,
- 4 CONSTRUCTION, AND EQUIPMENT FOR HOUSING
- 5 FOR HOMELESS. THIS PROJECT QUALIFIES AS
- 6 A GRANT, PURSUANT TO CHAPTER 42F, HRS.
- 7
  
- 8 12.19. SPECIAL EDUCATION CENTER OF HAWAII
- 9
- 10 PLANS, LAND ACQUISITION, DESIGN,
- 11 CONSTRUCTION, AND EQUIPMENT FOR DRIVEWAY
- 12 IMPROVEMENTS AND PURCHASE OF NEW VEHICLES
- 13 FOR TRANSPORTATION PROGRAM. THIS PROJECT
- 14 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER
- 15 42F, HRS.
- 16
  
- 17 12.20. THE MEDIATION CENTER OF THE PACIFIC,
- 18 INC
- 19
- 20 PLANS, LAND ACQUISITION, DESIGN,
- 21 CONSTRUCTION, AND EQUIPMENT FOR MEDIATION
- 22 CENTER. THIS PROJECT QUALIFIES AS A
- 23 GRANT, PURSUANT TO CHAPTER 42F, HRS.
- 24
  
- 25 12.21. YOUNG MEN'S CHRISTIAN ASSOCIATION OF
- 26 HONOLULU
- 27
- 28 PLANS, LAND ACQUISITION, DESIGN,
- 29 CONSTRUCTION, AND EQUIPMENT FOR RETAINING
- 30 WALL. THIS PROJECT QUALIFIES AS A GRANT,
- 31 PURSUANT TO CHAPTER 42F, HRS."
- 32
- 33



1           2.    By amending the titles and descriptions of items

2 E.17.01., to E.17.04., to read:

3 "17.01.        BLOOD BANK OF HAWAII  
4  
5                PLANS, LAND ACQUISITION, DESIGN,  
6                CONSTRUCTION, AND EQUIPMENT FOR A NEW  
7                BLOOD CENTER FACILITY CONTINGENT UPON THE  
8                CITY AND COUNTY OF HONOLULU PROVIDING  
9                MATCHING FUNDS. THIS PROJECT QUALIFIES  
10               AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
11

12 17.02.        GREGORY HOUSE PROGRAMS  
13  
14                PLANS, LAND ACQUISITION, DESIGN,  
15                CONSTRUCTION, AND EQUIPMENT FOR  
16                ACQUISITION OF PROPERTY AT 1096 AND 1098  
17                YOUNG STREET. THIS PROJECT QUALIFIES AS  
18                A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
19

20 17.03.        REHABILITATION HOSPITAL OF THE  
21                PACIFIC  
22  
23                PLANS, LAND ACQUISITION, DESIGN,  
24                CONSTRUCTION, AND EQUIPMENT FOR HVAC  
25                SYSTEM. THIS PROJECT QUALIFIES AS A  
26                GRANT, PURSUANT TO CHAPTER 42F, HRS.  
27

28 17.04.        THE ALCOHOLIC REHABILITATION SERVICES  
29                OF HAWAII INC  
30  
31                PLANS, LAND ACQUISITION, DESIGN,  
32                CONSTRUCTION, AND EQUIPMENT FOR HVAC  
33                SYSTEM. THIS PROJECT QUALIFIES AS A  
34                GRANT, PURSUANT TO CHAPTER 42F, HRS."  
35

36





1           3.    By amending the title and description of item F.4.01.,  
2 to read:

3    "4.01.        PACIFIC FLEET SUBMARINE [MEMORIAL  
4                    ASSOCIATION, INC.] MUSEUM & PARK  
5  
6                    PLANS, LAND ACQUISITION, DESIGN,  
7                    CONSTRUCTION, AND EQUIPMENT FOR COMFORT  
8                    STATION AND WALKWAY IMPROVEMENTS. THIS  
9                    PROJECT QUALIFIES AS A GRANT, PURSUANT TO  
10                  CHAPTER 42F, HRS."  
11

12           4.    By amending the titles and descriptions of items  
13 F.29.07., to F.29.10., to read:

14    "29.07.        KAILAPA COMMUNITY ASSOCIATION  
15  
16                    PLANS, LAND ACQUISITION, DESIGN,  
17                    CONSTRUCTION, AND EQUIPMENT FOR KAILAPA  
18                    COMMUNITY RESOURCE CENTER. THIS PROJECT  
19                    QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
20                  42F, HRS.  
21

22    29.08.        [LAI`I`OPUA] LA`I`OPUA 2020  
23  
24                    PLANS, LAND ACQUISITION, DESIGN,  
25                    CONSTRUCTION, AND EQUIPMENT FOR COMMUNITY  
26                    CENTER AT LAI OPUA. THIS PROJECT  
27                    QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
28                  42F, HRS.  
29

30    29.09.        WAIOHULI HAWAIIAN HOMESTEADERS  
31                    ASSOCIATION, INC.  
32  
33                    PLANS, LAND ACQUISITION, DESIGN,  
34                    CONSTRUCTION, AND EQUIPMENT FOR  
35                    IMPROVEMENTS TO COMMUNITY CENTER AND PARK  
36                    FACILITIES. THIS PROJECT QUALIFIES AS A  
37                    GRANT, PURSUANT TO CHAPTER 42F, HRS.  
38

39



1 29.10. WAIKIKI COMMUNITY CENTER  
 2  
 3 PLANS, LAND ACQUISITION, DESIGN,  
 4 CONSTRUCTION, AND EQUIPMENT FOR  
 5 RENOVATIONS AND IMPROVEMENTS AT THE  
 6 CENTER. THIS PROJECT QUALIFIES AS A  
 7 GRANT, PURSUANT TO CHAPTER 42F, HRS."  
 8

9 5. By amending the titles and descriptions of items

10 H.3.01., and H.3.02., to read:

11 "3.01. [~~HAWAII~~] HAWAI`I NATURE CENTER, INC  
 12  
 13 PLANS, LAND ACQUISITION, DESIGN,  
 14 CONSTRUCTION, AND EQUIPMENT FOR  
 15 RENOVATIONS AND IMPROVEMENTS TO MAUI AND  
 16 OAHU CAMPUS FACILITIES. THIS PROJECT  
 17 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 18 42F, HRS.  
 19

20 3.02. MOANALUA GARDENS FOUNDATION, INC  
 21  
 22 PLANS, LAND ACQUISITION, DESIGN,  
 23 CONSTRUCTION, AND EQUIPMENT FOR A MASTER  
 24 PLAN FOR MOANALUA VALLEY. THIS PROJECT  
 25 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 26 42F, HRS."  
 27

28 6. By amending the titles and descriptions of items

29 K.33.02., to K.33.28., to read:

30 "33.02. ALOHA MEDICAL MISSION  
 31  
 32 PLANS, LAND ACQUISITION, DESIGN,  
 33 CONSTRUCTION, AND EQUIPMENT FOR A NEW  
 34 DENTAL CLINIC. THIS PROJECT QUALIFIES AS  
 35 A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 36

37



1 33.03. ALTERNATIVE STRUCTURES INTERNATIONAL  
 2  
 3 PLANS, LAND ACQUISITION, DESIGN,  
 4 CONSTRUCTION, AND EQUIPMENT FOR A  
 5 COMMUNITY KITCHEN. THIS PROJECT  
 6 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 7 42F, HRS.  
 8

9 33.04. CHILDREN'S DISCOVERY CENTER  
 10  
 11 PLANS, LAND ACQUISITION, DESIGN,  
 12 CONSTRUCTION, AND EQUIPMENT FOR  
 13 CHILDREN'S DISCOVERY CENTER RENOVATIONS,  
 14 ACCESS IMPROVEMENTS, AND SAFETY  
 15 IMPROVEMENTS. THIS PROJECT QUALIFIES AS  
 16 A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 17

18 33.05. DAUGHTERS OF [HAWAII] HAWAI`I  
 19  
 20 PLANS, LAND ACQUISITION, DESIGN,  
 21 CONSTRUCTION, AND EQUIPMENT FOR QUEEN  
 22 EMMA SUMMER PALACE RENOVATIONS. THIS  
 23 PROJECT QUALIFIES AS A GRANT, PURSUANT TO  
 24 CHAPTER 42F, HRS.  
 25

26 33.06. DIAMOND HEAD THEATRE  
 27  
 28 PLANS, LAND ACQUISITION, DESIGN,  
 29 CONSTRUCTION, AND EQUIPMENT FOR A NEW  
 30 THEATER. THIS PROJECT QUALIFIES AS A  
 31 GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 32

33 33.07. FRIENDS OF KING [KAUMUALII]  
 34 KAUMUALI`I  
 35  
 36 PLANS, LAND ACQUISITION, DESIGN,  
 37 CONSTRUCTION, AND EQUIPMENT FOR THE  
 38 CREATION AND INSTALLATION OF A STATUE OF  
 39 KING KAUMUALII AND PEDESTAL AT WAIMEA  
 40 BAY. THIS PROJECT QUALIFIES AS A GRANT,  
 41 PURSUANT TO CHAPTER 42F, HRS.  
 42

43



- 1 33.08. FRIENDS OF KONA PACIFIC PUBLIC  
2 CHARTER SCHOOL  
3  
4 PLANS, LAND ACQUISITION, DESIGN,  
5 CONSTRUCTION, AND EQUIPMENT FOR A  
6 COMMUNITY KITCHEN. THIS PROJECT  
7 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
8 42F, HRS.  
9
  
- 10 33.09. FRIENDS OF THE VOLCANO SCHOOL OF ARTS  
11 & SCIENCES  
12  
13 PLANS, LAND ACQUISITION, DESIGN,  
14 CONSTRUCTION, AND EQUIPMENT FOR EARLY  
15 LEARNING CENTER CLASSROOMS. THIS PROJECT  
16 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
17 42F, HRS.  
18
  
- 19 33.10. HAWAII COUNTY ECONOMIC OPPORTUNITY  
20 COUNCIL (HCEOC)  
21  
22 PLANS, LAND ACQUISITION, DESIGN,  
23 CONSTRUCTION, AND EQUIPMENT FOR  
24 MECHANICAL REPAIR FACILITY AND TRAINING  
25 SITE. THIS PROJECT QUALIFIES AS A GRANT,  
26 PURSUANT TO CHAPTER 42F, HRS.  
27
  
- 28 33.11. HAWAIIAN KAMALII, INC.  
29  
30 PLANS, LAND ACQUISITION, DESIGN,  
31 CONSTRUCTION, AND EQUIPMENT FOR SAFETY  
32 AND SECURITY IMPROVEMENTS OF CANOE CLUB  
33 FACILITIES AT HOALOHA PARK. THIS PROJECT  
34 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
35 42F, HRS.  
36
  
- 37 33.12. KA HALE A KE OLA HOMELESS RESOURCE  
38 [~~CENTER~~] CENTERS, INC.  
39  
40 PLANS, LAND ACQUISITION, DESIGN,  
41 CONSTRUCTION, AND EQUIPMENT FOR PERMANENT  
42 SUPPORTIVE HOUSING. THIS PROJECT  
43 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
44 42F, HRS.  
45



1 33.13. KA LIMA O MAUI, LTD.  
 2  
 3 PLANS, LAND ACQUISITION, DESIGN,  
 4 CONSTRUCTION, AND EQUIPMENT FOR MULTI-  
 5 PURPOSE BUILDING. THIS PROJECT QUALIFIES  
 6 AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 7

8 33.14. KAHILU [~~THEATER~~] THEATRE FOUNDATION  
 9  
 10 PLANS, LAND ACQUISITION, DESIGN,  
 11 CONSTRUCTION, AND EQUIPMENT FOR  
 12 IMPROVEMENTS AND RENOVATIONS FOR THEATER  
 13 BUILDING. THIS PROJECT QUALIFIES AS A  
 14 GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 15

16 33.15. KALANI HONUA INC.  
 17  
 18 PLANS, LAND ACQUISITION, DESIGN,  
 19 CONSTRUCTION, AND EQUIPMENT FOR  
 20 CONVERTING LARGE-CAPACITY CESSPOOL TO  
 21 SEPTIC SYSTEM. THIS PROJECT QUALIFIES AS  
 22 A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 23

24 33.16. KALANIHALE  
 25  
 26 PLANS, LAND ACQUISITION, DESIGN,  
 27 CONSTRUCTION, AND EQUIPMENT FOR MILOLII  
 28 COMMUNITY ENRICHMENT AND HISTORICAL  
 29 CENTER. THIS PROJECT QUALIFIES AS A  
 30 GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 31

32 33.17. KALIHI-PALAMA HEALTH CENTER (HALE  
 33 HO'OLA HOU)  
 34  
 35 PLANS, LAND ACQUISITION, DESIGN,  
 36 CONSTRUCTION, AND EQUIPMENT FOR CLINICAL  
 37 SPACE FOR WOMEN AND CHILDREN'S PROGRAMS.  
 38 THIS PROJECT QUALIFIES AS A GRANT,  
 39 PURSUANT TO CHAPTER 42F, HRS.  
 40

41



- 1 33.18. KONA HISTORICAL SOCIETY
- 2
- 3 PLANS, LAND ACQUISITION, DESIGN,
- 4 CONSTRUCTION, AND EQUIPMENT FOR A GALLERY
- 5 AND MUSEUM. THIS PROJECT QUALIFIES AS A
- 6 GRANT, PURSUANT TO CHAPTER 42F, HRS.
- 7
  
- 8 33.19. MAUI ARTS [~~AND CULTURE~~] & CULTURAL
- 9 CENTER
- 10
- 11 PLANS, LAND ACQUISITION, DESIGN,
- 12 CONSTRUCTION, AND EQUIPMENT TO CONTINUE
- 13 IMPLEMENTATION OF THE MAUI ARTS AND
- 14 CULTURAL CENTER'S MASTER PLAN. THIS
- 15 PROJECT QUALIFIES AS A GRANT, PURSUANT TO
- 16 CHAPTER 42F, HRS.
- 17
  
- 18 33.20. MAUI COUNTY COUNCIL OF THE BOY SCOUTS
- 19 OF AMERICA, LIMITED
- 20
- 21 PLANS, LAND ACQUISITION, DESIGN,
- 22 CONSTRUCTION, AND EQUIPMENT FOR A NEW
- 23 DINING HALL AT CAMP MALUHIA. THIS
- 24 PROJECT QUALIFIES AS A GRANT, PURSUANT TO
- 25 CHAPTER 42F, HRS.
- 26
  
- 27 33.21. NORTH HAWAII COMMUNITY HOSPITAL
- 28
- 29 PLANS, LAND ACQUISITION, DESIGN,
- 30 CONSTRUCTION, AND EQUIPMENT FOR EXPANSION
- 31 OF THE EMERGENCY DEPARTMENT. THIS
- 32 PROJECT QUALIFIES AS A GRANT, PURSUANT TO
- 33 CHAPTER 42F, HRS.
- 34
  
- 35 33.22. PACIFIC GATEWAY CENTER
- 36
- 37 PLANS, LAND ACQUISITION, DESIGN,
- 38 CONSTRUCTION, AND EQUIPMENT FOR PUMP
- 39 STATION IMPROVEMENTS. THIS PROJECT
- 40 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER
- 41 42F, HRS.
- 42
- 43



1 33.23. ROYAL ORDER OF KAMEHAMEHA I,  
 2 MAMALAHOA  
 3  
 4 PLANS, LAND ACQUISITION, DESIGN,  
 5 CONSTRUCTION, AND EQUIPMENT FOR  
 6 RENOVATION AND IMPROVEMENTS TO KAMEHAMEHA  
 7 HALL. THIS PROJECT QUALIFIES AS A GRANT,  
 8 PURSUANT TO CHAPTER 42F, HRS.  
 9

10 33.24. SHADE INSTITUTE  
 11  
 12 PLANS, LAND ACQUISITION, DESIGN,  
 13 CONSTRUCTION, AND EQUIPMENT FOR WAIPIO  
 14 POINT ACCESS ROAD MULTIMODAL AND SAFETY  
 15 IMPROVEMENT PROJECT. THIS PROJECT  
 16 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 17 42F, HRS.  
 18

19 33.25. THE STORYBOOK THEATRE OF HAWAII  
 20  
 21 PLANS, LAND ACQUISITION, DESIGN,  
 22 CONSTRUCTION, AND EQUIPMENT FOR  
 23 RENOVATION OF THEATRE. THIS PROJECT  
 24 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 25 42F, HRS.  
 26

27 33.26. THE WAHIAWA CENTER FOR COMMUNITY  
 28 HEALTH  
 29  
 30 PLANS, LAND ACQUISITION, DESIGN,  
 31 CONSTRUCTION, AND EQUIPMENT FOR THE  
 32 RENOVATION AND OUTFITTING OF SERVICE  
 33 DELIVERY. THIS PROJECT QUALIFIES AS A  
 34 GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 35

36 33.27. WAHIAWA GENERAL HOSPITAL  
 37  
 38 PLANS, LAND ACQUISITION, DESIGN,  
 39 CONSTRUCTION, AND EQUIPMENT FOR PATIENT  
 40 CARE FACILITIES. THIS PROJECT QUALIFIES  
 41 AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.  
 42

43



1 33.28. WAIALUA COMMUNITY ASSOCIATION  
 2  
 3 PLANS, LAND ACQUISITION, DESIGN,  
 4 CONSTRUCTION, AND EQUIPMENT FOR  
 5 COMMERCIAL KITCHEN AND INSTALLATION OF  
 6 NEW GYMNASIUM FLOOR. THIS PROJECT  
 7 QUALIFIES AS A GRANT, PURSUANT TO CHAPTER  
 8 42F, HRS."  
 9

10 SECTION 5. Nothing in this part shall be construed to  
 11 amend the provisions of House Bill No. 1900, House Draft 1,  
 12 Senate Draft 2, Conference Draft 1, Regular Session of 2018, in  
 13 a manner that appropriates any additional funds, authorizes the  
 14 issuance of any additional general obligation bonds or allocates  
 15 the revenues derived thereof, or adds any additional debt for  
 16 the projects listed in section 4 of this Act.

17 PART III

18 SECTION 6. The provisions of this Act are declared to be  
 19 severable and if any portion thereof is held to be invalid for  
 20 any reason, the validity of the remainder of this Act shall not  
 21 be affected.

22 SECTION 7. In printing this Act, the revisor of statutes  
 23 shall substitute in sections 1, 3, 4, and 5 the corresponding  
 24 act numbers for bills identified therein.





1           SECTION 8. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.  
3           SECTION 9. This Act shall take effect upon its approval.

APPROVED this 22 day of JUN , 2018



GOVERNOR OF THE STATE OF HAWAII



HB No. 1604, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki  
Speaker  
House of Representatives




Brian L. Takeshita  
Chief Clerk  
House of Representatives


**THE SENATE OF THE STATE OF HAWAI'I**

Date: May 1, 2018  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.



President of the Senate



Clerk of the Senate