RELATING TO TAX INCREMENT BONDS.

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

SECTION 1. Section 39-92, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) The director of finance shall annually as of July 1 of each fiscal year and following each issuance of general obligation bonds of the State ascertain and set forth in a table or other summary a statement evidencing the power of the State to issue general obligation bonds. In preparing the statements required by this section, the director of finance may rely on the statement of total outstanding indebtedness of the State and the exclusions therefrom prepared pursuant to section 39-93 to the extent such statement is concurred to by the attorney general and the comptroller. The statement shall include the following:

(1) The total principal and interest payable in the current fiscal year and in each future fiscal year on all outstanding general obligation indebtedness of the
State including outstanding general obligation bonds, reimbursable general obligation bonds, and any other outstanding general obligation bonds. Principal and interest on bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor need not be included, but only to the extent the principal amount of such bonds does not exceed seven per cent of the principal amount of outstanding general obligation bonds not otherwise excluded under section 13 of Article VII of the Constitution; provided that the State shall have established and is maintaining a reserve in an amount in reasonable proportion to the outstanding loans guaranteed by the State pursuant to law.

(2) The total principal and interest payable in the current fiscal year and in each future fiscal year on all outstanding general obligation indebtedness of the State which may be excluded under section 13 of Article VII of the Constitution in determining the power of the State to issue general obligation bonds for the purposes of that section. There shall be
itemized and shown the amounts which may be excluded
under each of clauses 1 through [9] 10 of section 13;
in the case of reimbursable general obligation bonds,
the undertaking, improvement, system, or political
subdivision for which such bonds are issued, and,
except as to such bonds issued for a political
subdivision, the revenues, user taxes, or both, from
which the reimbursement to the general fund for the
payment of the principal and interest of such bonds is
to be made.

(3) The total principal and interest payable in the
current fiscal year and in each future fiscal year on
all outstanding general obligation indebtedness which
may not be excluded in determining the power of the
State to issue general obligation bonds for the
purposes of section 13 of Article VII of the
Constitution.

(4) The net general fund revenues for each of the three
preceding fiscal years, the average of such net
general fund revenues and, until June 30, 1982, the
figure which is twenty per cent of such average; and
thereafter, the figure which is eighteen and one-half
per cent of such average.

The items required above to be set forth in the statement
may be disclosed in such manner or arrangement as the director
of finance may deem advisable, and need not be separately stated
if the captions, headings, or groupings disclose the information
required to be set forth."

2. By amending subsection (d) to read:

"(d) The director of finance shall also prepare and attach
to the statement such supporting schedules as may be necessary
to be set forth in such a manner or arrangement as the director
of finance may deem advisable the following:

(1) The principal amount of bonds constituting instruments
of indebtedness under which the State incurs a
contingent liability as a guarantor which may be
excluded under clause 8 of section 13 of Article VII
of the Constitution when determining the power of the
State to issue general obligation bonds;

(2) The total principal amount of all outstanding general
obligation indebtedness of the State including general
obligation bonds, reimbursable general obligation
bonds, and any other outstanding general obligation
bonds;

(3) The total principal amount of outstanding general
obligation indebtedness of the State which may be
excluded under section 13 of Article VII of the
Constitution. There shall be itemized and shown the
amounts which may be excluded under each of clauses 1
through [9] 10 of section 13; in the case of
reimbursable general obligation bonds, the
undertaking, improvement, system, or political
subdivision for which such bonds are issued. The
principal amount of reimbursable general obligation
bonds issued for an undertaking, improvement, or
system for the purposes of this paragraph shall be the
product of the respective percentages obtained in
subsection (c)(6) of this section and the total
principal amount of outstanding reimbursable general
obligation bonds issued for an undertaking,
 improvement, or system;

(4) The difference obtained by subtracting from the total
required to be set forth in the statement by paragraph
(2) of this subsection, the total required to be set forth in the statement by paragraph (3) of this subsection, which difference shall constitute the principal amount of outstanding general obligation bonds not otherwise excluded under clause 8 of section 13 of Article VII of the Constitution;

(5) The principal and interest and fraction thereof for the amount of bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor obtained from paragraph (1) of this subsection which is in excess of seven per cent of the amount obtained in paragraph (4) of this subsection shall be included in the schedule set forth in subsection (a)(1) of this section."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval and upon ratification of a constitutional amendment expressly providing that the legislature may authorize the counties to
issue tax increment bonds and excluding tax increment bonds from
determinations of the funded debt of the counties.

INTRODUCED BY:  

[Signatures]

[Signatures]
Report Title:
Tax Increment Bonds; State Debt Limit Statements; Statutory Amendments

Description:
Conforms state debt limit statements laws to include tax increment bonds if a constitutional amendment authorizing the use of such bonds and excluding such bonds from determinations of the counties' funded debt is ratified.

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