

Honolulu, Hawaii

MAR 19 2012

RE: H.B. No. 2347

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred H.B. No. 2347 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS FOR REVENUE-PRODUCING UNDERTAKINGS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize a county to covenant with the holders of general obligation bonds additionally secured by a pledge of revenues of the undertaking loan program, or other purpose for which the bonds were issued that the county will continue to impose and collect such revenues in amounts at least sufficient to provide for the payment of the principal and interest on such bonds to the extent authorized or permitted by law;
- (2) Allow a county to reserve the right to issue subsequent general obligation bonds equally and additionally secured by a pledge of such revenues of an undertaking, loan program, or other purpose; and
- (3) Authorize a county to issue general obligation bonds for any purpose authorized by section 47-3, Hawaii Revised Statutes, with certain security requirements that are not derived from the undertaking or loan program for which the bonds were issued, under certain conditions.




Your Committee received testimony in support of this measure from the City and County of Honolulu Department of Budget And Fiscal Services.

Your Committee finds that this measure allows a county to pledge, in addition to real property taxes, certain receipts, including rentals, fees, charges, taxes, and state or federal grants, to secure its general obligation bonds. The authorization for such a pledge would provide greater security for bondholders, thereby possibly lowering borrowing costs and strengthening county bond ratings.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Public Safety,  
Government Operations, and  
Military Affairs,



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WILL ESPERO, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Public Safety, Government Operations, and**  
**Military Affairs**  
**PGM**

Bill / Resolution No.:* <b>HB 2347</b>	Committee Referral: <b>PGM, WAM</b>	Date: <b>3-13-12</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	/			
KIDANI, Michelle N. (VC)	/			
BAKER, Rosalyn H.	/			
RYAN, Pohai	/			
SLOM, Sam				/
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes