

JAN 19 2018

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## A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WITH SPRINKLER RETROFITS.

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

1           SECTION 1. The legislature finds that the July 14, 2017,  
2 fire at the Marco Polo condominium makes it clear that certain  
3 older apartment complexes need to be retrofitted with sprinkler  
4 systems. There has been some consideration to make sprinkler  
5 systems mandatory in older complexes above a certain height;  
6 however, property owners and renters who have small or fixed  
7 incomes will be unable to carry the financial burden that comes  
8 with retrofitting some of these complexes.

9           The purpose of this Act is to authorize the issuance of  
10 special purpose revenue bonds to assist in the retrofitting of  
11 low- and moderate-income apartment complexes with sprinkler  
12 systems.

13           The legislature finds and declares that the issuance of  
14 special purpose revenue bonds under this Act is in the public  
15 interest and for the public health, safety, and general welfare.



1           SECTION 2. Pursuant to part IX, chapter 39A, Hawaii  
2 Revised Statutes, the department of budget and finance, with the  
3 approval of the governor, is authorized to issue special purpose  
4 revenue bonds in a total amount not to exceed \$           , in  
5 one or more series, to be distributed by the city and county of  
6 Honolulu, for the purpose of assisting not-for-profit private  
7 organizations, for-profit organizations, and public  
8 instrumentalities in retrofitting older apartment complexes for  
9 low- and moderate-income households with sprinkler systems. The  
10 legislature hereby finds and determines that retrofitting  
11 sprinkler systems in low- and moderate-income apartment  
12 complexes constitute a project as defined in part IX, chapter  
13 39A, Hawaii Revised Statutes, and the financing thereof is  
14 assistance to not-for-profit private organizations, for-profit  
15 private organizations, and public instrumentalities and their  
16 qualified affiliates in the development of low- and moderate-  
17 income housing.

18           SECTION 3. The special purpose revenue bonds and the  
19 refunding special purpose revenue bonds issued under this Act  
20 shall be issued pursuant to part IX, chapter 39A, Hawaii Revised  
21 Statutes, relating to the power to issue special purpose revenue



1 bonds to assist not-for-profit private organizations, for-profit  
2 private organizations, and public instrumentalities and their  
3 qualified affiliates in the development of low- and moderate-  
4 income housing.

5 SECTION 4. The department of budget and finance is  
6 authorized, from time to time, including times subsequent to  
7 June 30, 2023, to issue special purpose revenue bonds in  
8 whatever principal amounts the department shall determine to be  
9 necessary to refund the special purpose revenue bonds authorized  
10 in section 2 and to refund special purpose revenue bonds  
11 authorized in this section, regardless of whether the  
12 outstanding special purpose revenue bonds or refunding special  
13 purpose revenue bonds have matured or are the subject of  
14 redemption or whether the refunding special purpose revenue  
15 bonds shall be bonds for the multi-project programs described in  
16 section 2. In making this determination, the department shall  
17 comply with federal law relating to the exemption from federal  
18 income taxation of the interest on bonds of the nature  
19 authorized by this section.

20 SECTION 5. The authorization to issue special purpose  
21 revenue bonds under this Act shall lapse on June 30, 2023.



# S.B. NO. 2531

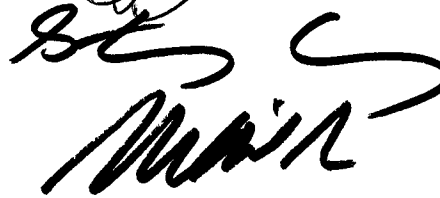
1 SECTION 6. This Act shall take effect on July 1, 2018.

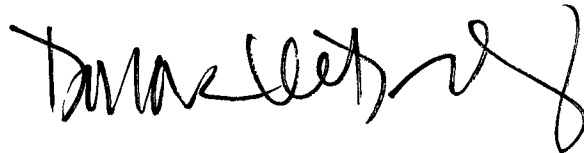
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INTRODUCED BY:

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# S.B. NO. 2531

**Report Title:**

Special Purpose Revenue Bonds; Sprinkler Retrofit

**Description:**

Authorizes the issuance of special purpose revenue bonds to assist not-for-profit private organizations, for-profit private organizations, and public instrumentalities in the retrofitting of low- and moderate-income apartment complexes with sprinkler systems.

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

