
A BILL FOR AN ACT

RELATING TO ALTERNATE ENERGY.

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

1 SECTION 1. Chapter 196, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§196- Alternate energy revolving loan fund. (a) There
5 is created an alternate energy revolving loan fund to be
6 administered by the department of business, economic
7 development, and tourism. The revolving loan fund shall provide
8 low interest loans to eligible persons to purchase or install
9 any alternate energy appliance, product, or system under this
10 chapter, including solar, photovoltaic, or wind energy devices
11 or devices under section 235-12.5; provided that the maximum
12 loan amount shall be \$ per loan applicant.

13 (b) Any funds appropriated for, or received or collected
14 by, the department for the purpose of the revolving loan fund
15 shall be used for the revolving loan fund; provided that
16 interest earned on moneys in the revolving loan fund may be used
17 by the department to administer the fund.



1 (c) The department shall establish the terms and
2 conditions of the revolving loan fund, including loan maturity
3 requirements, interest rates, collateral requirements, monetary
4 penalties, and other requirements necessary to administer the
5 revolving loan fund; provided that:

6 (1) The loan applicant resides in the residence that is
7 the object of the loan under this section; and

8 (2) The applicant agrees, as part of the terms of the loan
9 agreement, to continue to reside in the residence
10 under paragraph (1) for at least five years after the
11 execution of the loan.

12 (d) Any person who violates any provision under this
13 section or vacates or sells the person's residence that is the
14 object of the loan under this section within five years of
15 executing the loan shall be subject to a penalty equal to the
16 compounded difference between the interest rate charged by the
17 department under the revolving loan fund loan and the average of
18 the interest rates for a similar loan charged by the three
19 largest banks chartered to do business in the State at the time
20 the loan provided under this program was approved; provided that
21 the department may cancel the loan at such time or any other
22 time with good cause as determined by the department. The



1 department may also waive the penalty authorized under this
2 subsection for good cause as determined by the department.

3 (e) The department may take all necessary actions to
4 collect for the default on any principal or interest on any
5 loans made from the revolving loan fund and to otherwise secure
6 the loans in a manner that provides reasonable protection of the
7 State's interests. The department may enter into agreements or
8 purchase services required for the purposes of the revolving
9 fund loan, including holding loan payments in any state or
10 national bank authorized to do business in the State.

11 (f) The department shall adopt rules in accordance with
12 chapter 91 for the purposes of this section.

13 (g) The powers conferred upon the department by the
14 revolving fund loan shall be in addition and supplemental to the
15 powers conferred by any other law, and nothing herein shall be
16 construed as limiting any powers, rights, privileges, or
17 immunities so conferred."

18 SECTION 2. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$, for fiscal
20 year 2007-2008, and the same sum, for fiscal year 2008-2009, to
21 be deposited into the alternate energy revolving loan fund
22 established under section 1 of this Act.



1 SECTION 3. There is appropriated out of the alternate
 2 energy revolving loan fund the sum of \$, or so much
 3 thereof as may be necessary for fiscal year 2007-2008, and the
 4 same sum, or so much thereof as may be necessary for fiscal year
 5 2008-2009, for the purposes of this Act.

6 SECTION 4. The sums appropriated shall be expended by the
 7 department of business, economic development, and tourism for
 8 the purposes of this Act.

9 SECTION 5. This Act shall take effect on July 1, 2007.

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INTRODUCED BY: Mele Carroll

Frank Choy At. Ch Jeffery
Rick T.R. Carbonell Tom Tony Vee
Kirk Caldwell Phil. Hunter Greg K. Ho
Mary Blee Cindy Ann Bob Ann
Tom Brown
Nanni Snow Jim
Alex m. Simon
Calvin K. Day

Report Title:

Alternate Energy; Revolving Loan Fund

Description:

Establishes an alternate energy revolving loan fund to assist persons with the purchase or installation of alternate energy appliances, products, or systems.

