### A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CLEARCOM, INC., IN THE DEVELOPMENT OF BROADBAND INFRASTRUCTURE IN HAWAII.

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

- 1 SECTION 1. The legislature finds that the development of
- 2 broadband infrastructure to enable access to affordable ultra
- 3 high-speed internet is essential to build a vibrant and
- 4 sustainable economy and workforce in Hawaii and improve the
- 5 quality of life for residents. The legislature further finds
- 6 that the utilization of abandoned water mains in conjunction
- 7 with Act 151, Session Laws of Hawaii 2011, provide a unique
- 8 opportunity to achieve the State's "Hawaii Broadband Initiative"
- 9 goals in a timely and cost effective manner. Underground cables
- 10 are protected from weather related risks and accident damage,
- 11 and preserve Hawaii's uncluttered environment. The use of
- 12 abandoned water mains is a proven way to facilitate cost
- 13 efficient and rapid deployment of buried fiber optic
- 14 infrastructure, while minimizing the unavoidable traffic impacts
- 15 that plague traditional underground construction methods,
- 16 especially in the urban core. For these reasons, the
- 17 legislature finds and declares that the issuance of special



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- 1 purpose revenue bonds under this Act is in the public interest
- 2 and for the public health, safety, and general welfare.
- 3 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
- 4 Statutes, the department of budget and finance, with the
- 5 approval of the governor, is authorized to issue special purpose
- 6 revenue bonds in a total amount not to exceed \$100,000,000, in
- 7 one or more series, for the purpose of assisting Clearcom, Inc.,
- 8 or a partnership headed by Clearcom, Inc., with the planning,
- 9 permitting, designing, constructing, equipping, and operating of
- 10 broadband infrastructure at locations throughout the State. The
- 11 legislature hereby finds and determines that the planning,
- 12 permitting, designing, constructing, and operating of hydropower
- 13 plants constitutes a project as defined in part V, chapter 39A,
- 14 Hawaii Revised Statutes, and the financing thereof is assistance
- 15 to an industrial enterprise.
- 16 SECTION 3. The special purpose revenue bonds and the
- 17 refunding special purpose revenue bonds issued under this Act
- 18 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
- 19 Statutes, relating to the power to issue special purpose revenue
- 20 bonds to assist industrial enterprises.
- 21 SECTION 4. The department of budget and finance is
- 22 authorized, from time to time, including times subsequent to

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- 1 June 30, 2017, to issue special purpose revenue bonds in
- 2 whatever principal amounts the department shall determine to be
- 3 necessary to refund the special purpose revenue bonds authorized
- 4 in section 2 and to refund special purpose revenue bonds
- 5 authorized in this section, regardless of whether the
- 6 outstanding special purpose revenue bonds or refunding special
- 7 purpose revenue bonds have matured or are the subject of
- 8 redemption or whether the refunding special purpose revenue
- 9 bonds shall be bonds for the multi-project programs described in
- 10 section 2. In making this determination, the department shall
- 11 comply with federal law relating to the exemption from federal
- 12 income taxation of the interest on bonds of the nature
- 13 authorized by this section.
- 14 SECTION 5. The authorization to issue special purpose
- 15 revenue bonds under this Act shall lapse on June 30, 2017.

16 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

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### Report Title:

Special Purpose Revenue Bonds; Clearcom, Inc.; Hawaii Broadband Initiative

### Description:

Authorizes the issuance of special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with the planning, permitting, design, construction, equipping, and operating broadband infrastructure throughout the State. Effective 7/1/12.

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