

JAN 24 2013

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST A SEAWATER PROJECT.

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

1 SECTION 1. The legislature finds that support for the
2 development of efficient energy systems in Hawaii, which is
3 geographically isolated from sources of oil, continues to be in
4 the public interest.

5 The legislature further finds that the natural energy
6 laboratory of Hawaii authority currently has the infrastructure
7 to support a seawater air conditioning district cooling system
8 to serve Kona and nearby areas on the island of Hawaii.

9 The issuance of special purpose revenue bonds and refunding
10 special purpose revenue bonds under this Act to assist Kona
11 SWAC, LLC, in constructing a portion of its district cooling
12 system will make the statewide development of such a system more
13 economically feasible and provide numerous benefits. Among
14 other benefits, it is expected that such a system will make
15 significant use of an existing fifty-five inch deep seawater
16 pipeline at the natural energy laboratory of Hawaii authority in
17 which capacity remains mostly unused, and that additional



1 offshore work or offshore environmental permits will be
2 unnecessary.

3 SECTION 2. The legislature finds and declares that the
4 issuance of special purpose revenue bonds under this Act is in
5 the public interest and for the public health, safety, and
6 general welfare.

7 SECTION 3. Pursuant to part V, chapter 39A, Hawaii Revised
8 Statutes, the department of budget and finance, with the
9 approval of the governor, is authorized to issue special purpose
10 revenue bonds in a total amount not to exceed \$40,000,000, in
11 one or more series, for the purpose of assisting Kona SWAC, LLC,
12 a Hawaii limited liability company, for the planning, design,
13 construction, equipping, acquisition of land, including
14 easements or other interests therein, and other tangible assets
15 for a seawater air conditioning district cooling facility and
16 chilled water distribution system. The legislature hereby finds
17 and determines that a seawater air conditioning district cooling
18 facility and chilled water distribution system constitute a
19 project as defined in part V, chapter 39A, Hawaii Revised
20 Statutes, and the financing thereof is assistance to an
21 industrial enterprise.



1 SECTION 4. The special purpose revenue bonds and the
2 refunding special purpose revenue bonds issued under this Act
3 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
4 Statutes, relating to the power to issue special purpose revenue
5 bonds to assist an industrial enterprise.

6 SECTION 5. The department of budget and finance is
7 authorized, from time to time, including times subsequent to
8 June 30, 2018, to issue special purpose revenue bonds in
9 whatever principal amounts the department shall determine to be
10 necessary to refund the special purpose revenue bonds authorized
11 in section 3 and to refund special purpose revenue bonds
12 authorized in this section, regardless of whether the
13 outstanding special purpose revenue bonds or refunding special
14 purpose revenue bonds have matured or are the subject of
15 redemption or whether the refunding special purpose revenue
16 bonds shall be bonds for the multi-project programs described in
17 section 3. In making this determination, the department shall
18 comply with federal law relating to the exemption from federal
19 income taxation of the interest on bonds of the nature
20 authorized by this section.

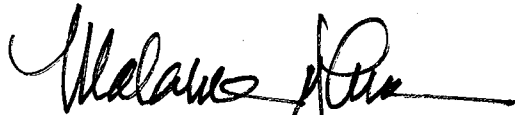
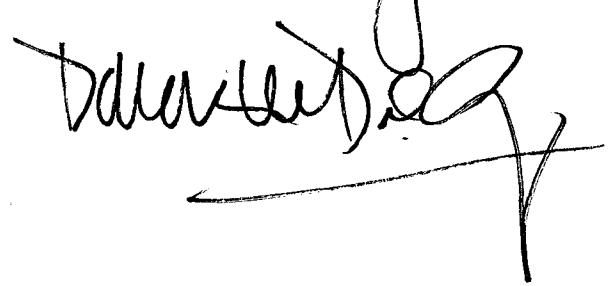
21 SECTION 6. The authorization to issue special purpose
22 revenue bonds under this Act shall lapse on June 30, 2018.



1 SECTION 7. This Act shall take effect on July 1, 2013.

2

INTRODUCED BY:



S.B. NO. 1280

Report Title:

Special Purpose Revenue Bonds; Kona SWAC, LLC; Seawater Air Conditioning District Cooling System

Description:

Authorizes the issuance of special purpose revenue bonds to assist Kona SWAC, LLC, in constructing part of a seawater air conditioning district cooling system.

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

