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# A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR THE HONOKEA SURF  
VILLAGE.

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

1           SECTION 1. The legislature finds that HK Management LLC, a  
2 Hawaii limited liability company, proposes to build a surf  
3 industry center on state lands to be leased from the Hawaii  
4 community development authority in Kalaeloa on the island of  
5 Oahu. The proposed surf center includes research, development,  
6 manufacturing, and testing facilities, together with a surf and  
7 aquatic film studio.

8           The legislature further finds that development of the surf  
9 industry center will advance the State's interest by promoting  
10 Hawaii's surfing and film industries and supporting cultural  
11 education, smart tourism, and economic development. Other  
12 benefits the legislature expects the surf center to provide  
13 include:

14           (1) Supporting local surf-related businesses by allowing  
15           the State to remain a leader in surfboard design,  
16           manufacturing, and testing;



1 (2) Providing a world-class surf and aquatic film studio  
2 to support and attract local, national, and  
3 international film projects;

4 (3) Providing an artificial surf facility to serve as a  
5 training and meet venue and design testing facility;  
6 and

7 (4) Providing employment opportunities and opportunities  
8 to promote awareness of surf history and Hawaii surf  
9 culture.

10 Accordingly, the legislature finds and declares that the  
11 issuance of special purpose revenue bonds under this Act is in  
12 the public interest and for the public health, safety, and  
13 general welfare.

14 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised  
15 Statutes, the department of budget and finance, with the  
16 approval of the governor, is authorized to issue special purpose  
17 revenue bonds in a total amount not to exceed \$95,000,000, in  
18 one or more series, for the purpose of assisting HK Management  
19 LLC, a Hawaii limited liability company, in financing or  
20 refinancing the costs of planning, designing, constructing,  
21 reconstructing, renovating, acquiring, equipping, and improving



1 surf industry center facilities. The legislature hereby finds  
2 and determines that planning, designing, constructing,  
3 reconstructing, renovating, acquiring, equipping, and improving  
4 these facilities constitutes a project as defined in part V,  
5 chapter 39A, Hawaii Revised Statutes, and the financing or  
6 refinancing thereof is assistance to an industrial enterprise.

7 SECTION 3. The special purpose revenue bonds and the  
8 refunding special purpose revenue bonds issued under this Act  
9 shall be issued pursuant to part V, chapter 39A, Hawaii Revised  
10 Statutes, relating to the power to issue special purpose revenue  
11 bonds to assist industrial enterprises.

12 SECTION 4. The department of budget and finance is  
13 authorized, from time to time, including times subsequent to  
14 June 30, 2026, to issue special purpose revenue bonds in  
15 whatever principal amounts the department shall determine to be  
16 necessary to refund the special purpose revenue bonds authorized  
17 in section 2 and to refund special purpose revenue bonds  
18 authorized in this section, regardless of whether the  
19 outstanding special purpose revenue bonds or refunding special  
20 purpose revenue bonds have matured or are the subject of  
21 redemption or whether the refunding special purpose revenue



1 bonds shall be bonds for the multi-project programs described in  
2 section 2. In making this determination, the department shall  
3 comply with federal law relating to the exemption from federal  
4 income taxation of the interest on bonds of the nature  
5 authorized by this section.

6 SECTION 5. The authorization to issue special purpose  
7 revenue bonds under this Act shall lapse on June 30, 2026.

8 SECTION 6. This Act shall take effect on July 1, 2021.



**Report Title:**

Special Purpose Revenue Bonds; HK Management LLC

**Description:**

Authorizes the issuance of special purpose revenue bonds to assist HK Management LLC, in planning, designing, constructing, reconstructing, renovating, acquiring, equipping, and improving surf industry center facilities. (HD1)

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

