

Honolulu, Hawaii

FEB 06 2025RE: S.B. No. 585
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Energy and Intergovernmental Affairs, to which was referred S.B. No. 585 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST BANA PACIFIC INC.,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Bana Pacific Inc. in constructing a biogas production facility.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office; Bana Pacific Inc.; The Maritime Group, LLC; Hawai'i Gas; and four individuals.

Your Committee received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committee finds that the in-state production of fuel has long been an objective of the State as it would enhance energy security, diversify fuel supplies, and increase rural economic opportunities. According to testimony received by your Committee, the issuance of special purpose revenue bonds to construct a biogas production facility in the State as proposed in this measure would help attract private sector capital without risk to the State or taxpayers.



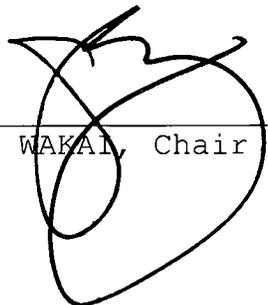
Your Committee acknowledges the concerns raised by the Department of the Attorney General that the issuance of special purpose revenue bonds as proposed in this measure violates Act 182, Session Laws of Hawaii 2022, as amended by Act 262, Session Laws of Hawaii 2023, which, in part, prohibits the authorization of special purpose revenue bonds that require allocations from the State's private activity bond volume cap ceiling through December 31, 2028. Amendments to this measure are therefore necessary to expressly insert a carve out to this prohibition.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to specify that the Legislature authorizes the issuance of special purpose revenue bonds that require allocation from the State's annual private activity bond volume cap ceiling, notwithstanding the provisions of Act 182, Session Laws of Hawaii 2022, as amended by Act 262, Session Laws of Hawaii 2023; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 585, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Intergovernmental Affairs,

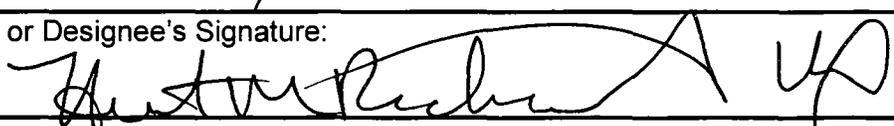


GLENN WAKAI, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

Bill / Resolution No.:* SB585	Committee Referral: EIG, WAM	Date: 1/28/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	X			
CHANG, Stanley (VC)				X
DECOITE, Lynn				X
RICHARDS, III, Herbert M. "Tim"	X			
FEVELLA, Kurt	X			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one Governor's Message per Record of Votes