

ACT 190

S.B. NO. 1855-86

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist Industrial Enterprises.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and for the public health, safety, and general welfare of the State.

SECTION 2. The legislature finds that the economy of the State continues to feel the effects of recent high unemployment and recessionary uncertainties of the national economy. The legislature further notes that the State's economy is highly concentrated in one or two sectors and diversification is needed to provide a broader business and industrial base for the State's economy and for the general welfare of its people. Persistent high interest rates for industrial enterprise borrowers create special and substantial obstacles to the raising of new capital and impede the creation of new industries to diversify the economic base of the State, to create new employment opportunities, to increase tax revenues, and to stimulate the inflow of new capital into the State. The legislature therefore finds that the establishment of new industries should be one of the main considerations in the issuance of special purpose revenue bonds.

The legislature further finds that a project with significant potential to stimulate new industry, support additional economic activity, and provide increased employment opportunities has been undertaken by the Cyanotech Corporation to develop a microalgae research, demonstration, and production

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facility at the natural energy laboratory of Hawaii located at Ke-ahole Point, Kailua-Kona, Hawaii. Cyanotech Corporation also plans to develop facilities in the Ka'u District in the county of Hawaii.

The legislature finds and determines that the activity and facilities of Cyanotech Corporation constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise. The issuance of special purpose revenue bonds authorized by this Act, to construct the facilities within the county of Hawaii, is in the public interest and for the public health, safety, and general welfare.

SECTION 3. Pursuant to part V, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in one or more series in a total amount not to exceed \$3,000,000 for the purpose of assisting Cyanotech Corporation, a Nevada corporation or a partnership in which Cyanotech Corporation is a general partner, to finance the activity and facilities of Cyanotech Corporation within the county of Hawaii; provided that the facilities to be financed shall meet with the approval of the board of the natural energy laboratory of Hawaii, the county of Hawaii, and the department of land and natural resources.

SECTION 4. The special purpose revenue bonds issued under this Act shall be issued pursuant to part V, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist industrial enterprises.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 19, 1986.)