

ACT 249

H.B. NO. 2049

A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds to Assist Olokele Sugar Company in Improving Its Electrical Power Generation Capability.

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

SECTION 1. The legislature finds that although Olokele Sugar Company, located on the island of Kauai, is one of the smaller sugar plantations in the State, it is considered to be one of the most successful. Because of ideal climactic conditions, Olokele Sugar Company has been able to produce a consistently high yield per acre ratio; however, relying on fair weather and proper variety selection does not guarantee survival. Continued research into operational improvements and alternative income sources is imperative if the Olokele Sugar Company is to survive.

To this end, the legislature further finds that the Olokele Sugar Company has been researching the energy export potential of the Olokele Sugar Factory. Given the crisis in the Persian Gulf and the potential for a continuation of high oil prices, the possibility of generating more electrical power through alternative means would be in the State's best interests.

If allowed to act upon its research data, the Olokele Sugar Company will be able to provide five megawatts of capacity and 40,000,000 kilowatts of energy

a year for a fixed term to Kauai Electric Company, thus reducing the utilization of fossil fuels for electrical energy and promoting the State's goal of energy self-sufficiency.

SECTION 2. 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 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 \$10,000,000, for the purpose of assisting Olokele Sugar Company in the construction and operation of an upgraded boiler system so that the Olokele Sugar Company will be able to provide more electrical power to the Kauai Electric Division of Citizens Utilities Company. The legislature finds and determines that this activity of the Olokele Sugar Company constitutes a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise.

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 the industrial enterprises.

SECTION 5. The department of budget and finance is further authorized to issue from time to time refunding special purpose revenue bonds authorized in such principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 3.

SECTION 6. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 1994.

SECTION 7. This Act shall take effect upon its approval.

(Approved June 12, 1991.)