

ACT 275

H.B. NO. 801

A Bill for an Act Relating to Special Purpose Revenue Bonds for Processing Enterprises.

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

SECTION 1. The legislature finds that CEATECH USA's "total shrimp production systems" in operation at Kekaha on the island of Kauai is experiencing very successful yields. This has been attributed to a number of factors including optimal weather conditions, an abundant source of clean saline water, and proven shrimp farming expertise built on years of research and practical application.

The anticipated phasing out of the sugar industry at Kekaha could potentially provide as much as twelve thousand acres of land suitable for a diverse number of crops including the production of shrimp. CEATECH USA's shrimp operation has the potential not only of producing hundreds of direct and indirect jobs thus helping to fill the expected economic void within that region, but also of becoming the nation's largest producer of cultured marine shrimp.

The extraordinary flavor and texture of the fresh Kekaha produced shrimp is gaining a favorable reputation that could fill a recognized niche. The National Fisheries Institute reports that imports account for eighty-one per cent or six hundred million pounds of these delectable high-priced morsels consumed in the United States. This economic opportunity is another reason for the legislature to lend its support to the shrimp industry in Hawaii.

Including the value added from processing, marketing, distribution, and service, shrimp accounts for more than \$10,000,000,000 in annual United States consumer spending. The construction of a processing plant is absolutely essential for the evolution and growth of this shrimp operation on Kauai.

The legislature further finds and declares that the issuance of special purpose revenue bonds under this Act constitutes a processing enterprise pursuant to part IV, chapter 39A, Hawaii Revised Statutes, and is in the public interest.

SECTION 2. Pursuant to part IV, 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 a total amount not to exceed \$3,000,000, in one or more series, for the purpose of assisting CEATECH USA in planning and building a processing plant for shrimp.

The legislature finds and declares that the issuance of special purpose revenue bonds under this Act constitutes a processing enterprise project as defined in part IV, chapter 39A, Hawaii Revised Statutes, and is in the public interest.

SECTION 3. The special purpose revenue bonds issued under section 2 of this Act shall be issued pursuant to part IV, chapter 39A, Hawaii Revised Statutes,

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relating to the power to issue special purpose revenue bonds to assist processing enterprises.

SECTION 4. The department of budget and finance is 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 2.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2004.

SECTION 6. This Act shall take effect upon its approval.

(Approved July 6, 1999.)