

ACT 136

H.B. NO. 2183

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 that although production of fuel grade ethanol from agricultural or municipal solid waste byproducts has demonstrated its value as a clean, economical additive to gasoline, a component of biodiesel fuel, and a gasoline substitute in flexible fuel vehicles, Hawaii continues to depend almost entirely upon imported petroleum to meet its transportation and energy needs. The legislature finds that the integration of ethanol production with the operation of sugar mills can make a positive contribution to the operating profits in the sugar

industry and the long-term viability of sugar in Hawaii. The legislature finds that the agricultural, environmental, energy, and economic policies of the State would be substantially forwarded by the effective utilization of technology to convert agricultural residues, green waste, and municipal solid waste into fuel grade ethanol for use as a fuel blend or additive. Financial assistance is essential to stimulate investment of the capital required to construct ethanol production plants that will provide the State with an alternative energy product that would reduce Hawaii's dependence on imported petroleum, as well as assist in the revival of the State's agricultural economy. The legislature further finds that the project development team of the Worldwide Energy Group, Inc., including the world's premier ethanol plant design and engineering firm, local landowners, sugar mills, and scientists with access to demonstrated state of the art conversion technology, has developed, as part of the Hawaii Sugar Ethanol Project, a coherent, prudent, and viable program for the production of ethanol in Hawaii.

For the foregoing reasons, the legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and is beneficial to the public health, safety, and general welfare.

The legislature further finds that part V, chapter 39A, Hawaii Revised Statutes, permits the State to financially assist industrial enterprises through the issuance of special purpose revenue bonds and 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. The legislature finds that Worldwide Energy Group, Inc., a Hawaii corporation, is an industrial enterprise meeting the qualifications for special purpose revenue bond assistance under chapter 39A, part V, Hawaii Revised Statutes. The special purpose revenue bonds authorized under this Act will provide low interest rate bond financing for the construction of a fuel grade ethanol production plant on the island of Kauai and other appropriate locations in the State.

SECTION 2. 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 in one or more series special purpose revenue bonds in a total amount not to exceed \$50,000,000 for the purpose of assisting Worldwide Energy Group, Inc., a Hawaii corporation, in the planning, design, construction, and operation of any and all elements of the Hawaii Sugar Ethanol Project, including a multi-million gallon per year fuel grade ethanol facility on the island of Kauai and other appropriate locations in the State. The legislature finds and determines that the activities and facilities of Worldwide Energy Group, Inc., constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and that the financing thereof is assistance to an industrial enterprise.

SECTION 3. 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 serving the general public.

SECTION 4. The department of budget and finance shall process applications for special purpose revenue bonds under this Act in accordance with the requirements of its "Formal Application for Financing of an Industrial Enterprise." The department shall report to the legislature twenty days before the convening of the regular sessions of 2001 and 2002 regarding the status of the issuance of the special purpose revenue bonds authorized by this Act.

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 May 30, 2000.)