

ACT 80

H.B. NO. 2128

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds for Projects on the Island of Hawaii.

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

SECTION 1. The legislature finds that it is in the public interest to encourage the development of cogeneration facilities that make electric energy available to members of the general public by the sale of the electric energy to an electric utility.

The legislature further finds that Hui 'Enekinia Hawai'i is engaged in the development of cogeneration facilities that will sell the electric energy it produces to Hawaii Electric Light Company, Inc., which is an electric utility serving the public. The thermal output produced can be used by existing and planned manufacturing and processing enterprises.

The legislature finds that the Hui 'Enekinia Hawai'i may be assisted through the issuance of special purpose revenue bonds because it is an industrial enterprise pursuant to part V, chapter 39A, Hawaii Revised Statutes.

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.

The purposes of this Act are:

- (1) To extend from June 30, 2003 to June 30, 2007, the authorization to issue special purpose revenue bonds previously authorized by Act 263, Session Laws of Hawaii 1993 and Act 135, Session Laws of Hawaii 1998;
- (2) To revise the authorization to provide more flexibility in structuring the business venture, without increasing the amount of the authorization; and
- (3) To allow the department of budget and finance to issue refunding special purpose revenue bonds.

SECTION 2. Act 263, Session Laws of Hawaii 1993, is amended by adding a new section to read as follows:

"SECTION 3A. The department of budget and finance is authorized to issue from time to time, including times subsequent to June 30, 2007, refunding special purpose revenue bonds in whatever principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 of Act 263, Session Laws of Hawaii 1993, as amended by Act 135, Session Laws of Hawaii 1998, and any refunding of special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section."

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SECTION 3. Act 263, Session Laws of Hawaii 1993, as amended by Act 135, Session Laws of Hawaii 1998, is amended by amending section 2 to read as follows:

“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 \$20,000,000, for the purpose of assisting Hui ‘Enekinia Hawai‘i, or a partnership in which Hui ‘Enekinia Hawai‘i is a general partner, for the establishment of a cogeneration facility [~~and related water production facilities~~]. The electrical output of this plant and facilities shall be made available for use by members of the general public by sale to Hawaii Electric Light Company, Inc. The [~~water and~~] thermal fluids output of this plant and related facilities shall be made available for use by members of the general public by sale to existing and planned manufacturing and processing entrepreneurs in the area on the island of Hawaii. The legislature finds and determines that the activity and facilities of Hui ‘Enekinia Hawai‘i constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise.”

SECTION 4. Act 263, Session Laws of Hawaii 1993, as amended by Act 135, Session Laws of Hawaii 1998, is amended by amending section 4 to read as follows:

“SECTION 4. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, [~~2003-~~] 2007.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on June 29, 2002.

(Approved May 31, 2002.)