

ACT 160

H.B. NO. 1902

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist Utilities Serving the General Public.

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.

SECTION 2. Pursuant to part VI, 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 \$400,000,000, in one or more series:

- (1) \$260,000,000 of which shall be for the purpose of assisting Hawaiian Electric Company, Inc.;
- (2) \$25,000,000 of which shall be for the purpose of assisting Maui Electric Company, Limited; and

- (3) \$115,000,000 of which shall be for the purpose of assisting Hawaii Electric Light Company, Inc.;

all Hawaii corporations, to continue multi-project capital improvement programs, including the acquisition of land, facilities used to produce electricity (including one new generating unit on the island of Oahu that is planned to run on one hundred per cent biofuel but is also capable of burning fossil fuel, and one new heat recovery steam generator on the island of Hawaii that will run off of waste heat and be part of a dual train combined-cycle unit with two existing fossil fuel units), transmission and distribution facilities, and other electric systems and facilities, or any combination thereof; provided that public utilities commission approval shall be required for any project financed by the issuance of special purpose revenue bonds under this Act.

The legislature hereby finds and determines that the capital improvement programs by Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., constitute energy projects as defined in part VI, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to utilities serving the general public in providing electric energy.

SECTION 3. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2012, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund 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.

SECTION 4. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part VI, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist utilities serving the general public in providing electric energy.

SECTION 5. The authorization to issue special purpose revenue bonds under section 2 of this Act shall lapse on June 30, 2012.

SECTION 6. This Act shall take effect on July 1, 2007.

(Approved June 8, 2007.)