

A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds to Assist Oceanlinx Hawaii LLC.

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

SECTION 1. The legislature finds support for the development of efficient renewable energy systems in the state, which is geographically isolated from sources of oil and other fossil fuels, to be in the public interest.

The legislature further finds that Oceanlinx Hawaii LLC, specializes in the development, construction, and operation of electrical generation technology using ocean wave energy, often referred to as hydrokinetic technology, with hydrokinetic power projects under development in Rhode Island, the United Kingdom, Australia, and South Africa. Oceanlinx Hawaii LLC, is engaged in the planning, design, and construction of a hydrokinetic power facility to be located off-shore of Maui to supply electric energy generated from wave energy as a renewable energy source to Maui Electric Company, Inc., and will replace a portion of the petroleum-based fuels presently being used in the state.

The legislature further finds that the issuance of special purpose revenue bonds and refunding special purpose revenue bonds under this Act to assist Oceanlinx Hawaii LLC, in planning, designing, and constructing a wave energy, or hydrokinetic, power facility and supplying electric energy generated from that facility to an electric utility for resale to the general public will contribute to the use of this renewable energy resource of the state and will provide numerous benefits, including:

- (1) Reducing dependence on imported fossil fuels for electrical generation, thereby increasing Hawaii's energy security;
- (2) Helping to meet Hawaii's renewable energy goals by using existing natural energy resources;
- (3) Supporting the environmentally beneficial development of one of Hawaii's abundant renewable energy resources; and
- (4) Assisting the State, county of Maui, and the federal government to meet their goals and mandates for energy efficiency and renewable energy use.

SECTION 2. The legislature further 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 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 a total amount not to exceed \$20,000,000, in one or more series, for the purpose of assisting Oceanlinx Hawaii LLC, with the planning, design, and construction of the hydrokinetic power generation facility off-shore of Maui. The legislature hereby finds and determines that hydrokinetic power generation 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 and the refunding 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.

SECTION 5. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2013, 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 3 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 3. 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 6. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2013.

SECTION 7. This Act shall take effect on July 1, 2008.

(Approved May 23, 2008.)