

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist BioEnergy Hawaii, LLC.

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 energy available to members of the general public by the sale of electric energy or biofuels, or both, to an electric utility or refinery, or both, serving the area.

The legislature also finds that the benefits of the development of cogeneration facilities include:

- (1) Reduced greenhouse gas emissions;
- (2) Reduced landfill waste streams;
- (3) Reduced transportation and disposal costs;
- (4) Creation of local technical and semi-technical jobs;
- (5) Renewable energy for local communities through distributed generations; and
- (6) Reduced dependence on imported fossil fuels for local transportation and energy needs.

The legislature also finds that BioEnergy Hawaii, LLC, is engaged in the development of a cogeneration facility project that will sell energy in the form of electricity or biofuels, or both, that it produces to electric utilities or refineries, or both, serving the public by processing non-fossil fuel feedstock.

The legislature further finds that BioEnergy Hawaii, LLC, may be assisted through the issuance of special purpose revenue bonds because it is an industrial enterprise pursuant to part V of chapter 39A, Hawaii Revised Statutes, relating to the financing of an industrial enterprise.

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 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 \$100,000,000, in one or more series, for the purpose of assisting BioEnergy Hawaii, LLC, a Hawaii limited liability company, or a partnership in which BioEnergy Hawaii, LLC, is a general partner, for the establishment of a cogeneration facility and related energy production facilities. The electrical output or biofuels energy, or both, of this plant and facilities shall be made available for use by members of the general public by sale to electric utilities or refineries, or both, serving the public. Thermal fluid output of this plant and related energy production facilities shall be made available to existing and planned manufacturing processing entrepreneurs in the area. The legislature hereby finds and determines that the activities and facilities of BioEnergy Hawaii, LLC, constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise.

SECTION 3. 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 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2016, 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 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2016.

SECTION 6. Act 110, Session Laws of Hawaii 2009, is repealed.

SECTION 7. This Act shall take effect on July 1, 2011.

(Approved June 8, 2011.)