

ACT 177

H.B. NO. 2543

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

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

SECTION 1. The legislature finds that it is in the State's interest to convert crops, crop residues, dedicated energy crops, and agricultural wastes into economically- and environmentally-sustainable biofuels and value-added co-products. In so doing, the State advances agricultural and energy initiatives that promote sustainability and self-sufficiency. The legislature finds that Bio-Tork Hawaii LLC proposes to build, own, and operate facilities to convert agricultural crops and by-products like albizia, sweet potatoes, papaya, sugarcane bagasse, and molasses to biofuels and high-protein feed. The legislature also finds that part V, chapter 39A, Hawaii Revised Statutes, permits the State to

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financially assist industrial enterprises through the issuance of special purpose revenue bonds.

SECTION 2. 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 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 \$50,000,000, in one or more series, for the purpose of assisting BioTork Hawaii LLC, a Delaware corporation, for the planning, permitting, design, construction, equipping, and operation of a facility capable of converting agricultural crops and by-products to biofuels and high-protein feed. The legislature hereby finds that the activity and facilities of BioTork Hawaii LLC in the development and operation of a facility capable of converting agricultural crops and by-products to biofuels and high-protein feed 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, 2019, 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, 2019.

SECTION 7. This Act shall take effect on July 1, 2014.

(Approved July 1, 2014.)