

ACT 117

H.B. NO. 2593

A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds for Hawaii Renewable Resources, LLC.

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

SECTION 1. The legislature finds that the development of local sustainable food production and the use and production of renewable energy systems continues to be in the best public interest. Hawaii Renewable Resources, LLC, is a Hawai'i company offering sustainable solutions for the production of food and renewable energy from the conversion of recovered food and green agricultural crop resources.

Hawaii Renewable Resources, LLC, proposes to own, design, build, and operate a project located on approximately ninety acres of agricultural lands on central O'ahu that includes:

- (1) A material reprocessing facility to recover organic materials, food manufacturing waste, green crop waste, and farm crop harvest waste;

- (2) A closed-loop, fully renewable and sustainable facility, with its own energy production, water recovery, waste processing, telecommunications, and environmental controls;
- (3) A digester system to break down food and green waste materials to usable products;
- (4) Other processing equipment necessary to convert food waste, green waste, and other materials to renewable natural gas;
- (5) Processing equipment for production of United States Food and Drug Administration certified pig and fish pellet feeds from processed and cooked food waste;
- (6) Production of soil amendment compost from operations for use in food crop farming;
- (7) Recovery and use of carbon dioxide from renewable natural gas production for use as a plant nutrient in greenhouse food crop hydroponic vegetable farming;
- (8) Recovery of water for purification and use for farm crop irrigation; and
- (9) Production of solar electricity used to operate the facility and provide cooling for harvested vegetable crops.

In support of the project of Hawaii Renewable Resources, LLC, the use of special purpose revenue bonds issued pursuant to this Act has been carefully considered and matches similar investments for infrastructure projects of this type. The issuance of special purpose revenue bonds will also provide critical financial flexibility to support the project initiatives and the deployment of internal capital. Through the utilization of special purpose revenue bonds as a means of funding, Hawaii Renewable Resources, LLC, will provide the public with benefits derived from utilization of alternative energy, without investment or operational risk to the State or counties.

The legislature finds and declares that the issuance of special purpose revenue bonds under this Act for Hawaii Renewable Resources, LLC, is in the public interest and for the public health, safety, and general welfare of the State.

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 \$30,000,000 in one or more series, for the purpose of assisting Hawaii Renewable Resources, LLC, with the establishment and funding of food, animal feed, and energy production; waste recovery; and related facilities on the island of O'ahu.

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, 2021, 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, 2021.

SECTION 6. This Act shall take effect on July 1, 2016.
(Approved June 22, 2016.)