

ACT 35

H.B. NO. 634

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds for the Nuuanu Hydroelectricity Project.

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

SECTION 1. Nuuanu reservoir #1 is an essential component in the Nuuanu hydroelectricity project, which will connect existing reservoirs in Nuuanu valley to generate renewable hydroelectric energy, provide energy storage of off-peak solar or wind energy supplies, and supplement usable groundwater supplies through the increase of groundwater recharge of captured stormwater. Nuuanu reservoir #1 needs to be upgraded to facilitate this project. The legislature finds that part XII, chapter 39A, Hawaii Revised Statutes, permits the State to assist dam and reservoir owners.

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 XII, 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 \$4,800,000, in one or more series, for the purpose of assisting the Honolulu board of water supply, a municipal water utility, to upgrade Nuuanu reservoir #1 to meet state dam safety standards as part of the Nuuanu hydro-electricity project. The legislature hereby finds and determines that the upgrade of Nuuanu reservoir #1 constitutes a project as defined in part XII, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to dam and reservoir owners.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part XII, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist dam and reservoir owners.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2023, 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, 2023.

SECTION 6. This Act shall take effect on July 1, 2018.

(Approved June 7, 2018.)