

Report Title:

Important Agricultural Lands; Special Purpose Revenue Bonds

Description:

Allows the authorization of special purpose revenue bonds for certain agricultural business operating on important agricultural lands. (SD1)



1 "Project agreement" means any agreement entered into under
2 this part by the department with a project party to finance,
3 construct, operate, or maintain a project from the proceeds of
4 special purpose revenue bonds, or to lend the proceeds of
5 special purpose revenue bonds to assist an agricultural business
6 operating on important agricultural lands, including without
7 limitation any loan agreement.

8 "Project party" means a person, firm, or corporation
9 qualified to do business in this State and conducting or
10 proposing to conduct an agricultural business operating on
11 important agricultural lands.

12 "Special purpose revenue bonds" or "bonds" means bonds,
13 notes, or other evidences of indebtedness of the State issued
14 pursuant to this part.

15 **§39A-B Department powers as to agricultural businesses**
16 **operating on important agricultural lands.** In addition to
17 powers that it may now have, the department shall have all
18 powers necessary or convenient to accomplish the purposes of
19 this part. The powers of the department include but are not
20 limited to the following:

21 (1) Notwithstanding and without compliance with section
22 103-7, but with the approval of the governor, to:



- 1 (A) Enter into and carry out a project agreement, or
2 an amendment or supplement to an existing project
3 agreement, with a project party; and
- 4 (B) Enter into and carry out any agreement whereby
5 the obligation of a project party under a project
6 agreement will be unconditionally guaranteed by a
7 person other than a project party;
- 8 (2) To issue special purpose revenue bonds pursuant to and
9 in accordance with this part;
- 10 (3) To lend the proceeds of the special purpose revenue
11 bonds issued for a project to the project party for
12 use and application by the project party for the
13 acquisition, purchase, construction, reconstruction,
14 improvement, betterment, extension, or maintenance of
15 a project;
- 16 (4) As security for the payment of the principal, premium,
17 if any, and interest of the special purpose revenue
18 bonds issued for a project, to:
- 19 (A) Pledge, assign, hypothecate, or otherwise
20 encumber all or any part of the revenues and
21 receipts derived or to be derived by the



- 1 department under the project agreement for the
- 2 project for which the bonds are issued;
- 3 (B) Pledge and assign the interest and rights of the
- 4 department under the project agreement or other
- 5 agreement with respect to the project or the
- 6 special purpose revenue bonds;
- 7 (C) Pledge and assign any bond, debenture, note, or
- 8 other evidence of indebtedness received by the
- 9 department with respect to the project; or
- 10 (D) Any combination of the foregoing;
- 11 (5) To extend or renew any project agreement or any other
- 12 agreement related thereto; provided that any renewal
- 13 or extension shall be subject to the approval of the
- 14 governor unless made in accordance with provisions for
- 15 the extension or renewal contained in a project
- 16 agreement or related agreement theretofore approved by
- 17 the governor; and
- 18 (6) To do any and all things necessary or convenient to
- 19 carry out its purposes and exercise the powers given
- 20 and granted in this part.

21 **§39A-C Compliance with state and local law.** The issuance
22 of special purpose revenue bonds with respect to any project



1 under this part shall not relieve any project party or other
2 user of the project from the laws, ordinances, and rules of the
3 State or any political subdivision thereof, or any departments
4 or boards thereof with respect to: the construction, operation,
5 and maintenance of projects; compliance with zoning laws or
6 regulations; obtaining of building permits; and compliance with
7 building and health codes and other laws, ordinances, or rules
8 and regulations of similar nature pertaining to the project, and
9 these laws shall be applicable to the party or any other user to
10 the same extent they would be if the costs of the project were
11 directly financed by the project party.

12 **§39A-D Conditions precedent to negotiating and entering**
13 **into a project agreement.** Prior to entering into negotiations
14 with respect to a project agreement or at any time during the
15 negotiations, the department shall require that as a condition
16 to the negotiations or the continuation thereof the State shall
17 be reimbursed for any and all costs and expenses incurred by it
18 even though a project agreement may not be entered into and may
19 further require the deposit of moneys with the department as
20 security for the reimbursement. Any amount of the deposit in
21 excess of the amount required to reimburse the State shall be



1 returned by the department to the party that has made the
2 deposit.

3 The department shall not enter into any project agreement
4 with respect to any project unless the legislature shall have
5 first authorized the issuance of special purpose revenue bonds
6 to finance the project pursuant to section 39A-G and the
7 department has thereafter found and determined either that the
8 project party is a responsible party, whether by reason of
9 economic assets or experience in the type of enterprise to be
10 undertaken through the project, or otherwise, or that the
11 obligations of the project party under the project agreement
12 will be unconditionally guaranteed by a person who is a
13 responsible party, whether by reason of economic assets or
14 experience in the type of enterprise to be undertaken through
15 the project, or otherwise.

16 **§39A-E Project agreement.** No special purpose revenue
17 bonds shall be issued unless at the time of issuance the
18 department shall have entered into a project agreement with
19 respect to the project for the financing of which the special
20 purpose revenue bonds are to be issued. Any project agreement
21 entered into by the department shall contain provisions
22 unconditionally obligating the project party:



1 (1) To pay to the department during the period or term of
2 the project agreement, exclusive of any renewal or
3 extension thereof and whether or not the project is
4 used or occupied by the project party, the sum or
5 sums, at time or times, and in amounts that will be at
6 least sufficient:

7 (A) To pay the principal and interest on all special
8 purpose revenue bonds issued with respect to the
9 project as and when the same become due,
10 including any premium payable upon any required
11 redemption of the bonds;

12 (B) To establish or maintain a reserve, if any, as
13 may be required by the instrument authorizing or
14 securing the special purpose revenue bonds;

15 (C) To pay all fees and expenses (including the fees
16 and expenses of the paying agents and trustees)
17 incurred in connection with the special purpose
18 revenue bonds; and

19 (D) To pay the expenses (direct or indirect) incurred
20 by the State, as determined by the department, in
21 administering the bonds or in carrying out the
22 project agreement; and



1 (2) To operate, maintain, and repair the project as long
2 as the same is used as provided in the project
3 agreement and to pay all costs of the operation,
4 maintenance, and repair.

5 Moneys received by the department pursuant to paragraph (1)(D)
6 shall not be, or be deemed to be, revenues of the project and
7 shall be paid into the general fund of the State.

8 **§39A-F Issuance of special purpose revenue bonds to**
9 **finance projects.** In addition to the other powers that it may
10 otherwise have, the department may issue special purpose revenue
11 bonds to finance, in whole or in part, the costs of facilities
12 of, or for, or to loan the proceeds of the bonds to assist
13 project parties. All revenue bonds issued under this part are
14 special purpose revenue bonds and the provisions of part III of
15 chapter 39 shall not apply thereto. All special purpose revenue
16 bonds shall be issued in the name of the department and not in
17 the name of the State.

18 In determining the cost of any project, the department may
19 also include the following:

20 (1) Financing charges, fees, and expenses of any trustee
21 and paying agents for special purpose revenue bonds
22 issued to pay the cost of the project;



- 1 (2) Interest on the bonds and the expenses of the State in
2 connection with the bonds and the project to be
3 financed from the proceeds of the bonds accruing or
4 incurred prior to and during the estimated period of
5 construction and for not exceeding twelve months
6 thereafter;
- 7 (3) Amounts necessary to establish or increase reserves
8 for the special purpose revenue bonds;
- 9 (4) The cost of plans, specifications, studies, surveys,
10 and estimates of costs and of revenues;
- 11 (5) Other expenses incidental to determining the
12 feasibility or practicability of the project;
- 13 (6) Administration expenses;
- 14 (7) Legal, accounting, consulting, and other special
15 service fees;
- 16 (8) Interest cost incurred by the project party with
17 respect to the project prior to the issuance of the
18 special purpose revenue bonds; and
- 19 (9) Such other costs, commissions, and expenses incidental
20 to the construction, acquisition, reconstruction,
21 renovation, rehabilitation, improvement, betterment,
22 operation, maintenance, or extension of the project,



1 the financing, placing of same in operation, and the
2 issuance of the special purpose revenue bonds, whether
3 incurred prior to or after the issuance of the bonds.

4 The legislature finds and determines that the exercise of
5 the powers vested in the department by this part constitutes
6 assistance to an agricultural businesses operating on important
7 agricultural lands and that the issuance of special purpose
8 revenue bonds to finance facilities of, or for, or to loan the
9 proceeds of the bonds to assist, project parties, is in the
10 public interest.

11 **§39A-G Authorization of special purpose revenue bonds.**

12 (a) Special purpose revenue bonds for each project or multi-
13 project program shall be authorized by a separate act of the
14 legislature, by an affirmative vote of two-thirds of the members
15 to which each house is entitled; provided that the legislature
16 shall find that the issuance of the bonds is in the public
17 interest; provided further that no authorization shall be made
18 for a period exceeding five years of its enactment. Any special
19 purpose revenue bond authorization, or any portion of the
20 special purpose revenue bond authorization, which has not been
21 issued at the close of the fiscal year for the period for which
22 the authorization is made shall lapse. Special purpose revenue



1 bonds issued pursuant to this part may be in one or more series
2 for each project. The special purpose revenue bonds of each
3 issue shall be dated, shall bear interest at a rate or rates,
4 shall mature at a time or times not exceeding forty years from
5 their date or dates, shall have a rank or priority and may be
6 made redeemable before maturity at the option of the department,
7 at a price or prices and under terms and conditions, all as may
8 be determined by the department. The department shall determine
9 the form of the special purpose revenue bonds, including any
10 interest coupons to be attached thereto, and the manner of
11 execution of the special purpose revenue bonds, and shall fix
12 the denomination or denominations of the special purpose revenue
13 bonds and the place or places of payment of principal and
14 interest, which may be at any bank or trust company within or
15 without the State. The special purpose revenue bonds may be
16 issued in coupon or in registered form, or both, as the
17 department may determine. Provisions may be made for the
18 registration of any coupon bonds as to principal alone and also
19 as to both principal and interest and for the reconversion into
20 coupon bonds of any bonds registered as to both principal and
21 interest. The department may sell special purpose revenue bonds



1 either at public or private sale and for a price as it may
2 determine.

3 (b) Prior to the preparation of definitive special purpose
4 revenue bonds, the department may issue interim receipts or
5 temporary bonds, with or without coupons, exchangeable for
6 definitive bonds when the bonds have been executed and are
7 available for delivery.

8 (c) Should any bond issued under this part or any coupon
9 appertaining thereto become mutilated or be lost, stolen, or
10 destroyed, the department may cause a new bond or coupon of like
11 date, number, and tenor to be executed and delivered in exchange
12 and substitution for, and upon the cancellation of the mutilated
13 bond or coupon, or in lieu of and in substitution for a lost,
14 stolen, or destroyed bond or coupon. The new bond or coupon
15 shall not be executed or delivered until the holder of the
16 mutilated, lost, stolen, or destroyed bond or coupon has:

17 (1) Paid the reasonable expense and charges in connection
18 therewith;

19 (2) In the case of a lost, stolen, or destroyed bond or
20 coupon, has filed with the department or its fiduciary
21 evidence satisfactory to the department or its
22 fiduciary that the bond or coupon was lost, stolen, or



1 destroyed and that the holder was the owner thereof;
2 and

3 (3) Has furnished indemnity satisfactory to the
4 department.

5 (d) The department may provide that CUSIP identification
6 numbers be printed on the special purpose revenue bonds. If
7 numbers are imprinted on the bonds:

8 (1) No such number shall constitute a part of the contract
9 evidenced by the particular bond upon which it is
10 imprinted; and

11 (2) No liability shall attach to the department or any
12 officer or agent thereof, including any fiscal agent,
13 paying agent, or registrar for the bonds, by reason of
14 the numbers or any use made thereof, including any use
15 thereof made by the department, any officer, or any
16 agent, or by reason of any inaccuracy, error, or
17 omission with respect thereto or in any use.

18 The department may require that all costs of obtaining and
19 imprinting the numbers shall be paid by the purchaser of the
20 bonds. For the purpose of this subsection, the term "CUSIP
21 identification numbers" means the numbering system adopted by



1 the Committee for Uniform Security Identification Procedures
2 formed by the Securities Industry Association.

3 **§39A-H Special purpose revenue bond anticipation notes.**

4 Whenever the department has authorized the issuance of special
5 purpose revenue bonds under this part, special purpose revenue
6 bond anticipation notes of the department may be issued in
7 anticipation of the issuance of the bonds and of the receipt of
8 the proceeds of sale thereof, for the purposes for which the
9 bonds have been authorized. All special purpose revenue bond
10 anticipation notes shall be authorized by the department, and
11 the maximum principal amount of the notes shall not exceed the
12 authorized principal amount of the bonds. The notes shall be
13 payable solely from and secured solely by the proceeds of sale
14 of the special purpose revenue bonds in anticipation of which
15 the notes are issued and the revenues from which would be
16 payable and by which the bonds would be secured; provided that
17 to the extent that the principal of the notes shall be paid from
18 moneys other than the proceeds of sale of the bonds, the maximum
19 amount of bonds in anticipation of which the notes are issued
20 that has been authorized shall be reduced by the amount of notes
21 paid in such manner. The authorization, issuance, and the
22 details of the notes shall be governed by this part with respect



1 to special purpose revenue bonds insofar as the same may be
2 applicable; provided that each note, together with all renewals
3 and extensions thereof, or refundings thereof by other notes
4 issued under this section, shall mature within five years from
5 the date of the original note.

6 **§39A-I Powers with respect to and security for special**
7 **purpose revenue bonds.** In order to secure the payment of any of
8 the special purpose revenue bonds issued pursuant to this part
9 and interest thereon, or in connection with the bonds, the
10 department shall have the power:

11 (1) To pledge all or any part of the revenues derived by
12 the department from the project agreement to the
13 punctual payment of special purpose revenue bonds
14 issued with respect to the project financed from
15 proceeds thereof and interest thereon, and to covenant
16 against thereafter pledging any revenues or receipts
17 to any other bonds or any other obligations of the
18 department for any other purpose, except as otherwise
19 stated in the law providing for the issuance of
20 additional special purpose revenue bonds to be equally
21 and ratably secured by a lien upon the revenues;



- 1 (2) To pledge and assign the interest and right of the
2 department under the project agreement and other
3 agreements related thereto and the rights, duties, and
4 obligations of the department thereunder, including
5 the right to receive revenues thereunder;
- 6 (3) To covenant as to the use and disposition of the
7 proceeds from the sale of the bonds;
- 8 (4) To covenant to set aside or pay over reserves and
9 sinking funds for the bonds and as to the disposition
10 thereof;
- 11 (5) To covenant and prescribe as to what happenings or
12 occurrences shall constitute "events of default" and
13 the terms and conditions upon which any or all of the
14 bonds shall become or may be declared due before
15 maturity and as to the terms and conditions upon which
16 the declaration and its consequences may be waived;
- 17 (6) To covenant as to the rights, liabilities, powers, and
18 duties arising upon the breach by it of any covenant,
19 condition, or obligation;
- 20 (7) To designate a national or state bank or trust company
21 within or without the State, incorporated in the
22 United States, to serve as trustee for the holders of



1 the special purpose revenue bonds and to enter into a
2 trust indenture or trust agreement or indenture of
3 mortgage with the trustee. The trustee may be
4 authorized by the department to receive and receipt
5 for, hold, and administer the proceeds of the special
6 purpose revenue bonds issued for the project and to
7 apply the proceeds to the purposes for which the bonds
8 are issued, or to receive and receipt for, hold, and
9 administer the revenues derived by the department
10 under the project agreement and to apply the revenues
11 to the payment of the principal and interest on the
12 bonds, or both, and any excess revenues to the payment
13 of expenses incurred by the State in administering the
14 bonds or in carrying out the project agreement. If a
15 trustee is appointed, any trust indenture or trust
16 agreement or indenture of mortgage entered into by the
17 department with the trustee may contain whatever
18 covenants and provisions as may be necessary or
19 convenient or desirable in order to secure the bonds.
20 The department may pledge and assign to the trustee
21 the interest of the department under the project
22 agreement and other agreements related thereto and the



1 rights, duties, and obligations of the department
2 thereunder, including the right to receive revenues
3 thereunder. The department may appoint the trustee to
4 serve as fiscal agent for the payment of the principal
5 and interest, and for the purchase, registration,
6 transfer, exchange, and redemption of the special
7 purpose revenue bonds. The department may also
8 authorize and empower the trustee to perform these
9 functions with respect to the payment, purchase,
10 registration, transfer, exchange, and redemption, as
11 the department may deem necessary, advisable, or
12 expedient, including without limitation the holding of
13 the special purpose revenue bonds and coupons that
14 have been paid and the supervision of the destruction
15 thereof in accordance with law;

16 (8) To execute all instruments necessary or convenient in
17 the exercise of the powers herein granted or in the
18 performance of its covenants and duties; and

19 (9) To make covenants and do any and all acts as may be
20 necessary, convenient, or desirable in order to secure
21 the bonds, notwithstanding that the covenants, acts,
22 or items may not be enumerated herein.



1 The department shall have the power to do all things in the
2 issuance of the bonds and for their security that are consistent
3 with the Constitution of the State of Hawaii.

4 **§39A-J Security for special purpose revenue bonds.**

5 Special purpose revenue bonds shall be payable solely from the
6 revenues derived by the department from payments made to the
7 department under the project agreement or other agreements
8 entered into with respect to the project and shall be secured
9 solely by the bond revenues and by the pledges and assignments
10 authorized by this part. Subject to the prior and superior
11 rights of outstanding bonds, claims, obligations, or mechanic's
12 and materialman's liens, all special purpose revenue bonds of
13 the same issue shall have a prior and paramount lien on the
14 revenues derived from the project agreement with respect to the
15 project, for which the bonds have been issued, over and ahead of
16 all special purpose revenue bonds of any issue payable from the
17 revenues that may be subsequently issued and over and ahead of
18 any claims or obligations of any nature against the revenues
19 subsequently arising or subsequently incurred; provided that the
20 department may reserve the right and privilege to subsequently
21 issue additional series of special purpose revenue bonds, from
22 time to time, payable from the revenues derived from the project



1 agreement on a parity with the special purpose revenue bonds
2 previously issued, and the subsequently issued series of special
3 purpose revenue bonds may be secured, without priority by reason
4 of date of sale, date of execution, or date of delivery, by a
5 lien on the revenues in accordance with law, including this
6 part.

7 **§39A-K Special purpose revenue bonds not a general**
8 **obligation of State.** No holder or holders of any special
9 purpose revenue bonds issued under this part shall ever have the
10 right to compel any exercise of taxing power of the State to pay
11 for the bonds or the interest thereon and no moneys other than
12 the revenues pledged to the bonds shall be applied to the
13 payment thereof. Each special purpose revenue bond issued under
14 this part shall recite in substance that the bond, including
15 interest thereon, is not a general obligation of the State and
16 is payable solely from the revenues pledged to the payment
17 thereof, and that the bond is not secured directly or indirectly
18 by the full faith and credit or the general credit of the State
19 or by any revenues or taxes of the State other than the revenues
20 specifically pledged thereto.

21 **§39A-L Validity of special purpose revenue bonds.** The
22 special purpose revenue bonds bearing the signature or facsimile



1 signature of officers in office on the date of the signing
2 thereof shall be valid and sufficient for all purposes,
3 notwithstanding that before the delivery thereof and payment
4 therefor any or all the persons whose signatures appear thereon
5 shall have ceased to be officers of the department. Special
6 purpose revenue bonds shall contain a recital that they are
7 issued pursuant to this part, which recital shall be conclusive
8 evidence of their validity and of the regularity of their
9 issuance.

10 **§39A-M Use of revenues derived from project agreement.**

11 The department shall have the right to appropriate, apply, or
12 expend the revenues derived with respect to the project
13 agreement for a project for the following purposes:

14 (1) To pay when due all special purpose revenue bonds,
15 premiums if any and interest thereon, for the payment
16 of which the revenues are or have been pledged,
17 charged, or otherwise encumbered, including reserves
18 therefor; and

19 (2) To the extent not paid by the project party to provide
20 for all expenses of administration, operations, and
21 maintenance of the project, including reserves
22 therefor.



1 Unless and until adequate provision has been made for the
2 foregoing purposes, the department shall not transfer the
3 revenues derived from the project agreement to the general fund
4 of the State.

5 **§39A-N Special purpose revenue bonds exempt from taxation.**

6 Special purpose revenue bonds and the income therefrom issued
7 pursuant to this part shall be exempt from all state and county
8 taxation except inheritance, transfer, and estate taxes.

9 **§39A-O Federal tax exempt status.** To the extent
10 practicable, special purpose revenue bonds issued pursuant to
11 this part shall be issued to comply with requirements imposed by
12 applicable federal law providing that the interest on the
13 special purpose revenue bonds shall be excluded from gross
14 income for federal income tax purposes (except as certain
15 minimum taxes or environmental taxes may apply). The director
16 of finance may enter into agreements, establish funds or
17 accounts, and take any action required to comply with applicable
18 federal law. Nothing in this part shall be deemed to prohibit
19 the issuance of special purpose revenue bonds, the interest on
20 which may be included in gross income for federal income tax
21 purposes.



1 **§39A-P Exemption from taxation of department property.**

2 All revenues derived by the department from any project or under
3 the project agreement pertaining thereto shall be exempt from
4 all state and county taxation. Any right, title, and interest
5 of the department in any project shall also be exempt from all
6 state and county taxation.

7 Except as otherwise provided by law, the interest of the
8 project party or user of the project under the project agreement
9 or related agreement shall not be exempt from taxation to a
10 greater extent than it would be if the costs of the project were
11 directly financed by the project party or other user.

12 **§39A-Q Refunding special purpose revenue bonds.** By act
13 enacted by an affirmative vote of two-thirds of the members to
14 which each house is entitled, the legislature may authorize the
15 issuance of refunding special purpose revenue bonds for the
16 purpose of refunding any special purpose revenue bonds then
17 outstanding and issued under this part, whether or not the
18 outstanding special purpose revenue bonds have matured or are
19 then subject to redemption. By act enacted by an affirmative
20 vote of two-thirds of the members to which each house is
21 entitled, the legislature may provide for the issuance of a



1 single issue of special purpose revenue bonds for the combined
2 purposes of:

3 (1) Financing the cost of a project or improvement or
4 expansion thereof; and

5 (2) Refunding special purpose revenue bonds that shall
6 theretofore have been issued under this part and shall
7 then be outstanding, whether or not the outstanding
8 special purpose revenue bonds have matured or are then
9 subject to redemption.

10 Nothing in this section shall require or be deemed to require
11 the department to elect to redeem or prepay special purpose
12 revenue bonds being refunded, or to redeem or prepay special
13 purpose revenue bonds being refunded that were issued in the
14 form customarily known as term bonds in accordance with any
15 sinking fund installment schedule specified in any instruments
16 providing for the issuance thereof, or, if the department elects
17 to redeem or prepay any bonds, to redeem or prepay as of any
18 particular date or dates. The issuance of refunding special
19 purpose revenue bonds, the maturities and other details thereof,
20 the rights and remedies of the holders thereof, and the rights,
21 powers, privileges, duties, and obligations of the department



1 with respect to the same, shall be governed by the foregoing
2 provisions of this part insofar as the same may be applicable.

3 **§39A-R Status of special purpose revenue bonds under the**
4 **Uniform Commercial Code.** Notwithstanding any of the provisions
5 of this part or any recitals in any special purpose revenue
6 bonds issued under this part, all special purpose revenue bonds
7 shall be deemed to be investment securities under the Uniform
8 Commercial Code, chapter 490, subject only to the provisions of
9 the special purpose revenue bonds pertaining to registration.

10 **§39A-S Special purpose revenue bonds as legal investments**
11 **and lawful security.** The special purpose revenue bonds issued
12 pursuant to this part shall be legal and authorized investments
13 for banks, savings banks, trust companies, savings and loan
14 associations, insurance companies, credit unions, fiduciaries,
15 trustees, guardians, and for all public funds of the State or
16 other political corporations or subdivisions of the State. The
17 special purpose revenue bonds shall be eligible to secure the
18 deposit of any and all public funds of the State and any and all
19 public funds of counties or other political corporations or
20 subdivisions of the State, and the bonds shall be lawful and
21 sufficient security for public fund deposits to the extent of



1 their value when accompanied by all unmatured coupons
2 appertaining thereto.

3 **§39A-T Access to and public disclosure of financial**
4 **records of project party.** (a) Each project party with a
5 project agreement with the department shall allow the department
6 full access to the project party's financial records. Upon the
7 request of the department for the examination of any financial
8 record, the project party shall allow the department to examine
9 the requested records within a reasonably prompt time from the
10 date of the request. If the department requests copies of the
11 records, the project party shall provide the copies.

12 (b) To provide the public with full knowledge of the use
13 of the proceeds and benefits derived from special purpose
14 revenue bonds issued under this part, the department shall
15 require each project party with a project agreement with the
16 department to make available to the public all relevant
17 financial records that pertain to the use of or savings
18 resulting from the use of special purpose revenue bonds.

19 (c) The department shall adopt rules under chapter 91 for
20 the purposes of this section.

21 **§39A-U Estimate of benefits.** (a) Each project party with
22 a project agreement with the department shall estimate the



1 benefits derived from the use of the proceeds of special purpose
2 revenue bonds. The benefits estimated shall be based on the
3 creation of new jobs and potential effect on tax receipts. The
4 format of and method for determining the estimates shall be
5 established by the department and shall be uniform for each
6 project party.

7 (b) To promote public understanding of the role played by
8 special purpose revenue bonds in providing benefits to the
9 general public, the department shall take appropriate steps to
10 ensure public access to and scrutiny of the estimates determined
11 under subsection (a).

12 (c) The department shall adopt rules under chapter 91 for
13 the purposes of this section.

14 **§39A-V Construction of this part.** The powers conferred by
15 this part shall be in addition and supplemental to the powers
16 conferred by any other law. Insofar as the provisions of this
17 part are inconsistent with the provisions of any other law, this
18 part shall control."

19 SECTION 2. In codifying the new sections added by section
20 1 of this Act, the revisor of statutes shall substitute
21 appropriate section numbers for the letters used in designating
22 the new sections in this Act.



1 SECTION 3. This Act shall take effect upon its approval
2 and upon ratification of constitutional amendments authorizing
3 the State to issue special purpose revenue bonds and use the
4 proceeds from the bonds to assist agricultural businesses
5 operating on important agricultural lands.

