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# A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST UTILITIES SERVING THE GENERAL PUBLIC.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds and declares that the  
2 issuance of special purpose revenue bonds under this Act is in  
3 the public interest and for the public health, safety, and  
4 general welfare.

5           SECTION 2. Pursuant to part VI, chapter 39A, Hawaii  
6 Revised Statutes, the department of budget and finance, with the  
7 approval of the governor, is authorized to issue special purpose  
8 revenue bonds in a total amount not to exceed \$400,000,000, in  
9 one or more series:

10           (1) \$260,000,000 of which shall be for the purpose of  
11                 assisting Hawaiian Electric Company, Inc.;

12           (2) \$25,000,000 of which shall be for the purpose of  
13                 assisting Maui Electric Company, Limited; and

14           (3) \$115,000,000 of which shall be for the purpose of  
15                 assisting Hawaii Electric Light Company, Inc.;

16 all Hawaii corporations, to continue multi-project capital  
17 improvement programs, including the acquisition of land,



1 facilities used to produce electricity (including one new  
2 generating unit on the island of Oahu that is planned to run on  
3 one hundred per cent biofuel but is also capable of burning  
4 fossil fuel, and one new heat recovery steam generator on the  
5 island of Hawaii that will run off of waste heat and be part of  
6 a dual train combined-cycle unit with two existing fossil fuel  
7 units), transmission and distribution facilities, and other  
8 electric systems and facilities, or any combination thereof;  
9 provided that public utilities commission approval shall be  
10 required for any project financed by the issuance of special  
11 purpose revenue bonds under this Act.

12       The legislature hereby finds and determines that the  
13 capital improvement programs by Hawaiian Electric Company, Inc.,  
14 Maui Electric Company, Limited, and Hawaii Electric Light  
15 Company, Inc., constitute energy projects as defined in part VI,  
16 chapter 39A, Hawaii Revised Statutes, and the financing thereof  
17 is assistance to utilities serving the general public in  
18 providing electric energy.

19       SECTION 3. The department of budget and finance is  
20 authorized, from time to time, including times subsequent to  
21 June 30, 2012, to issue special purpose revenue bonds in  
22 whatever principal amounts the department shall determine to be



1 necessary to refund the special purpose revenue bonds authorized  
2 in section 2 and to refund special purpose revenue bonds  
3 authorized in this section, regardless of whether the  
4 outstanding special purpose revenue bonds or refunding special  
5 purpose revenue bonds have matured or are the subject of  
6 redemption or whether the refunding special purpose revenue  
7 bonds shall be bonds for the multi-project programs described in  
8 section 2. In making this determination, the department shall  
9 comply with federal law relating to the exemption from federal  
10 income taxation of the interest on bonds of the nature  
11 authorized by this section.

12 SECTION 4. The special purpose revenue bonds and the  
13 refunding special purpose revenue bonds issued under this Act  
14 shall be issued pursuant to part VI, chapter 39A, Hawaii Revised  
15 Statutes, relating to the power to issue special purpose revenue  
16 bonds to assist utilities serving the general public in  
17 providing electric energy.

18 SECTION 5. The authorization to issue special purpose  
19 revenue bonds under section 2 of this Act shall lapse on  
20 June 30, 2012.

21 SECTION 6. This Act shall take effect on July 1, 2007.



**Report Title:**

Special Purpose Revenue Bonds; Utilities

**Description:**

Authorizes issuance of special purpose revenue bonds to assist electric utilities. (SD1)

