THE SENATE TWENTY-FOURTH LEGISLATURE, 2007 STATE OF HAWAII

S.B. NO.¹⁷¹⁸_{H.D. 2}

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ELECTRICAL GENERATION ON THE ISLAND OF MAUI.

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

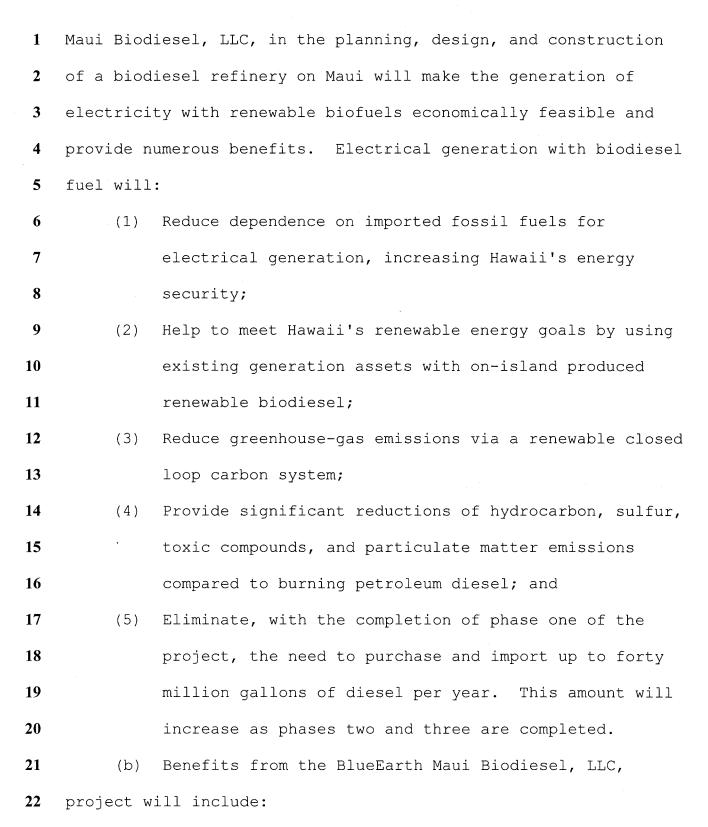
SECTION 1. The legislature finds that support for the
development of renewable energy systems and efficient energy
systems in the state, which is geographically isolated from
sources of oil, continues to be in the public interest.

5 The legislature further finds that BlueEarth Maui 6 Biodiesel, LLC, proposes to build biodiesel transesterification 7 plants on the island of Maui. BlueEarth Maui Biodiesel, LLC, is 8 engaged in the planning, design, and construction of a biodiesel 9 refinery on Maui to supply a renewable source of electrical 10 generation fuel replacing a portion of the petroleum-based 11 feedstocks presently being used.

SECTION 2. (a) 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. The legislature further finds that the issuance of special purpose revenue bonds and refunding of special purpose revenue bonds under this Act to assist BlueEarth



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1 Encouraging local agricultural research, development, (1)and cultivation of renewable energy feedstock crops on 2 Hawaii to be used by the project that will stimulate 3 locally grown biodiesel feedstock crops, such as palm 4 and jatropha, bringing fallow agricultural lands back 5 6 into production; Providing biodiesel at competitive prices as compared 7 (2)to importation alternatives; 8 Stimulating locally produced ethanol for use as a 9 (3) 10 renewable component in the transesterification of vegetable oils into biodiesel; 11 12 Generating substantial moneys in construction project (4) 13 spending over a period of multiple years as each of the three phases (approximately forty-million-gallon 14 15 capacity added with each phase) is built; and Assisting the State, county of Maui, and the federal 16 (5) government to meet their goals and mandates for energy 17 18 efficiency and renewable energy use. 19 SECTION 3. Pursuant to part V, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the 20 21 approval of the governor, is authorized to issue special purpose 22 revenue bonds in a total amount not to exceed \$, in SB1718 HD2 HMS 2007-3738

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one or more series, for the purpose of assisting BlueEarth Maui
Biodiesel, LLC, with the construction of a biodiesel refinery on
Maui with primary production volumes designated as fuel for
electrical generation.

5 The legislature finds and determines that BlueEarth Maui 6 Biodeisel, LLC's planning, design, and construction of a 7 biodiesel refinery to supply a renewable source of electrical-8 generation fuel constitutes a project as defined in part V, 9 chapter 39A, Hawaii Revised Statutes, and the financing thereof 10 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.

16 SECTION 5. The department of budget and finance is 17 authorized, from time to time, including times subsequent to 18 June 30, 2012, to issue special purpose revenue bonds in 19 whatever principal amounts the department shall determine to be 20 necessary to refund the special purpose revenue bonds authorized 21 in section 3 and to refund special purpose revenue bonds



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1 authorized in this section, regardless of whether the 2 outstanding special purpose revenue bonds or refunding special 3 purpose revenue bonds have matured or are the subject of 4 redemption or whether the refunding special purpose revenue 5 bonds shall be bonds for the multi-project programs described in 6 section 3.

7 In making this determination, the department shall comply 8 with federal law relating to the exemption from federal income 9 taxation of the interest on bonds of the nature authorized by 10 this section.

SECTION 6. The authorization to issue special purpose
revenue bonds under this Act shall lapse on June 30, 2012.
SECTION 7. This Act shall take effect on July 1, 2020.



Report Title:

SPRB; Renewable Energy; Biodiesel; BlueEarth Maui Biodiesel LLC

Description:

Authorizes special purpose revenue bonds to BlueEarth Maui Biodiesel, LLC, for construction of a biodiesel refinery on Maui. (SB1718 HD2)

