

JAN 24 2007

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 generator on the island of
5 Hawaii that will run off of waste heat and will be part of a
6 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 the approval of the public utilities commission
10 shall be required for any project financed by the issuance of
11 special purpose revenue bonds under this Act.

12 The legislature finds and determines that capital
13 improvement programs by Hawaiian Electric Company, Inc.; Maui
14 Electric Company, Limited; and Hawaii Electric Light Company,
15 Inc.; constitute energy projects as defined in part VI, chapter
16 39A, Hawaii Revised Statutes, and the financing thereof is
17 assistance to utilities serving the general public in providing
18 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 of this Act and to refund special purpose revenue
3 bonds authorized in this section, regardless of whether the
4 outstanding special purpose revenue bonds or refunding of
5 special 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 of this Act. In making this determination, the
9 department shall comply with federal law relating to the
10 exemption from federal income taxation of the interest on bonds
11 of the nature 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.

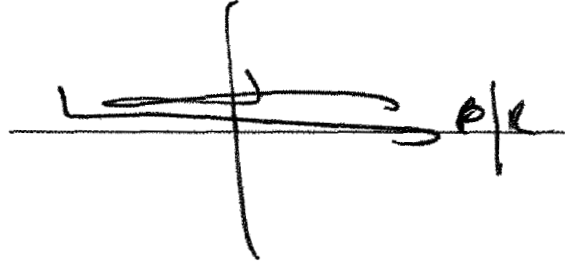


S.B. NO. 1717

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

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INTRODUCED BY:

A handwritten signature in black ink, consisting of a large, stylized 'L' shape with a vertical line extending downwards from its center, and a horizontal line extending to the right from the top of the 'L'. To the right of the horizontal line, the letters 'P/R' are written vertically.

Report Title:

Utilities; Special Purpose Revenue Bonds

Description:

Authorizes the issuance of special purpose revenue bonds to assist utilities in serving the general public.

