
A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST CARBON DIVERSION INC.

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

1 SECTION 1. The legislature finds that it is in the public
2 interest to encourage the development of cogeneration facilities
3 that make electric energy available to members of the general
4 public by the sale of electric energy to an electric utility
5 serving the area. The legislature further finds that Carbon
6 Diversion Inc. is engaged in the development of cogeneration
7 facilities projects that produce electric energy from nonfossil
8 fuel feedstock, utilizing a material reduction process by
9 pressurized pyrolysis and gasification for direct production of
10 energy-related carbon products and fuels, and indirect
11 production of electricity, and that Carbon Diversion Inc. will
12 sell the electric energy it produces to electric utilities
13 serving the public.

14 The legislature finds that part V of chapter 39A, Hawaii
15 Revised Statutes, permits the State to financially assist
16 industrial enterprises through the issuance of special purpose
17 revenue bonds.

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

5 SECTION 2. Pursuant to part V of chapter 39A, Hawaii
6 Revised Statutes, the department of budget and finance, with the
7 approval of the governor, is authorized to issue in one or more
8 series special purpose revenue bonds in a total amount not to
9 exceed \$40,000,000 for the purpose of assisting Carbon Diversion
10 Inc., or a partnership in which Carbon Diversion Inc. is a
11 general partner, for the establishment of a cogeneration
12 facility and related energy production facilities. The
13 electrical output of this plant and facilities shall be made
14 available for use by members of the general public by sale to
15 electric utilities serving the public. Thermal fluid output of
16 this plant and related energy production facilities shall be
17 made available for use by members of the general public by sale
18 to existing and planned manufacturing and processing
19 entrepreneurs in the area. The legislature finds and determines
20 that the activities and facilities of Carbon Diversion Inc.
21 constitute a project as defined in part V of chapter 39A, Hawaii
22 Revised Statutes, and that the financing of activities and

1 facilities of Carbon Diversion Inc. is assistance to an
2 industrial enterprise.

3 SECTION 3. The special purpose revenue bonds and refunding
4 special purpose revenue bonds issued under this Act shall be
5 issued pursuant to part V of chapter 39A, Hawaii Revised
6 Statutes, relating to the authority to issue special purpose
7 revenue bonds and refunding special purpose revenue bonds to
8 assist industrial enterprises.

9 SECTION 4. The department of budget and finance is
10 authorized to issue from time to time, including times
11 subsequent to June 30, 2014, refunding special purpose revenue
12 bonds in whatever principal amounts as the department shall
13 determine to be necessary to refund the special purpose revenue
14 bonds authorized in section 2, and to refund any special purpose
15 revenue bonds authorized by this section, regardless of whether
16 the outstanding special purpose revenue bonds or refunding
17 special purpose revenue bonds have matured or are the subject of
18 redemption or whether the refunding special purpose revenue
19 bonds shall be bonds for the multi-project programs described in
20 section 2. In making this determination, the department shall
21 comply with federal law relating to the exemption from federal

1 income taxation of the interest on bonds of the nature
2 authorized by this section.

3 SECTION 5. The authorization to issue special purpose
4 revenue bonds under this Act shall lapse on June 30, 2014.

5 SECTION 6. This Act shall take effect upon its approval.

Report Title:

Special Purpose Revenue Bonds; Carbon Diversion Inc.

Description:

Authorizes the issuance of special purpose revenue bonds to assist Carbon Diversion Inc. (SD1)