

JAN 23 2009

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## A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES.

**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 BioEnergy  
6 Hawaii, LLC is engaged in the development of a cogeneration  
7 facility project that will sell the electric energy it produces  
8 to electric utilities serving the public. BioEnergy Hawaii, LLC  
9 processes nonfossil fuel feedstock to produce electricity, and  
10 utilizes the process exhaust in related bio-energy production  
11 facilities to convert micro-algae.

12           The legislature further finds that BioEnergy Hawaii, LLC  
13 may be assisted through the issuance of special purpose revenue  
14 bonds because it is an industrial enterprise pursuant to part V,  
15 chapter 39A, Hawaii Revised Statutes.

16           The legislature finds and declares that the issuance of  
17 special purpose revenue bonds under this Act is in the public



1 interest and for the public health, safety, and general welfare  
2 of the State.

3 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised  
4 Statutes, the department of budget and finance, with the  
5 approval of the governor, is authorized to issue in one or more  
6 series special purpose revenue bonds in a total amount not to  
7 exceed \$100,000,000, for the purpose of assisting BioEnergy  
8 Hawaii, LLC, or a partnership in which BioEnergy Hawaii, LLC is  
9 a general partner, in the construction and operation of a  
10 cogeneration facility and related energy production facilities.  
11 The electrical output of this plant and facilities shall be made  
12 available for use by members of the general public by sale to  
13 Hawaii Electric Company, Inc. Thermal fluid output of this  
14 plant and related energy production facilities shall also be  
15 made available for use by members of the general public by sale  
16 to existing and planned manufacturing processing entrepreneurs  
17 in the area. The legislature finds and determines that the  
18 activity and facilities of BioEnergy Hawaii, LLC constitute a  
19 project as defined in part V, chapter 39A, Hawaii Revised  
20 Statutes, and the financing thereof is assistance to an  
21 industrial enterprise.



1           SECTION 3. Pursuant to part V, chapter 39A, Hawaii Revised  
2 Statutes, the department of budget and finance, with the  
3 approval of the governor, is authorized to issue from time to  
4 time, including times subsequent to June 30, 2014, refunding  
5 special purpose revenue bonds in whatever principal amounts as  
6 the department shall determine to be necessary to refund the  
7 special purpose revenue bonds authorized in section 2, and any  
8 refunding of special purpose revenue bonds authorized in this  
9 section, regardless of whether the outstanding special purpose  
10 revenue bonds or refunding special purpose revenue bonds have  
11 matured or are the subject of redemption or whether the  
12 refunding special purpose revenue bonds shall be bonds for the  
13 multi-project programs described in section 2. In making this  
14 determination, the department shall comply with federal law  
15 relating to the exemption from federal income taxation of the  
16 interest on bonds of the nature authorized by this section.

17           SECTION 4. The special purpose revenue bonds issued under  
18 this Act shall be issued pursuant to part V, chapter 39A, Hawaii  
19 Revised Statutes, relating to the authority to issue special  
20 purpose revenue bonds to assist industrial enterprises.

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

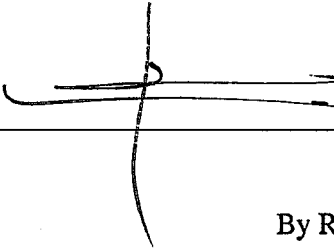


# S.B. NO. 486

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

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INTRODUCED BY:

  
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By Request



**Report Title:**

Energy; SPRBS; BioEnergy Hawaii, LLC

**Description:**

Authorizes issuance of SPRBs for BioEnergy Hawaii, LLC.

