



GOV. MSG. NO. 1191

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

June 8, 2011

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on June 8, 2011, the following bill was signed into law:

HB423 HD1 SD1 CD1

RELATING TO THE ISSUANCE OF SPECIAL
PURPOSE REVENUE BONDS
Act 088 (11)

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

on _____

HOUSE OF REPRESENTATIVES
TWENTY-SIXTH LEGISLATURE, 2011
STATE OF HAWAII

H.B. NO. 423
H.D. 1
S.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS.

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 the public from the sale
4 of electricity to a utility company. The legislature further
5 finds that Carbon Bio-Engineers, Inc., is engaged in the
6 development of cogeneration facilities that will sell
7 electricity in this manner by processing non-fossil fuel
8 feedstock, using a material reduction process by pressurized
9 pyrolysis and gasification, for direct production of energy-
10 related carbon products and fuels and an indirect production of
11 electricity.

12 The legislature further finds that the benefits of the
13 development of cogeneration facilities include:

- 14 (1) Reduction of greenhouse gas emissions;
15 (2) Reduction of landfill waste streams;
16 (3) Reduction of transportation and disposal costs;
17 (4) Creation of local technical and semi-technical jobs;

18 and



1 (5) Production of renewable energy for local communities
2 through distributed generation.

3 The legislature further finds that Carbon Bio-Engineers,
4 Inc.'s, work in creating alternative energy for the State is an
5 industrial enterprise defined in part V, chapter 39A, Hawaii
6 Revised Statutes, and may be assisted through the issuance of
7 special purpose revenue bonds.

8 The legislature finds and declares that the issuance of
9 special purpose revenue bonds under this Act is in the public
10 interest and for the public health, safety, and general welfare.

11 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
12 Statutes, the department of budget and finance, with the
13 approval of the governor, is authorized to issue special purpose
14 revenue bonds in a total amount not to exceed \$40,000,000, in
15 one or more series, for the purpose of assisting Carbon Bio-
16 Engineers, Inc., or a partnership in which Carbon Bio-Engineers,
17 Inc., is a general partner, with the establishment of
18 cogeneration and related energy-production facilities at various
19 locations in the State. The electrical output of this plant and
20 facilities shall be made available for use by members of the
21 general public by sale to electric utilities serving the public.
22 Thermal fluid output of this plant and related energy-production



1 facilities shall be made available for use by members of the
2 general public by sale to existing and planned manufacturing and
3 processing entrepreneurs in the area.

4 The legislature finds and determines that the activity and
5 facilities of Carbon Bio-Engineers, Inc., constitute a project
6 as defined in part V, chapter 39A, Hawaii Revised Statutes, and
7 the financing thereof is assistance to an industrial enterprise.

8 SECTION 3. The special purpose revenue bonds and the
9 refunding special purpose revenue bonds issued under this Act
10 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
11 Statutes, relating to the power to issue special purpose revenue
12 bonds to assist industrial enterprises.

13 SECTION 4. The department of budget and finance is
14 authorized, from time to time, including times subsequent to
15 June 30, 2016, to issue special purpose revenue bonds in
16 whatever principal amounts the department shall determine to be
17 necessary to refund the special purpose revenue bonds authorized
18 in section 2 and to refund special purpose revenue bonds
19 authorized in this section, regardless of whether the
20 outstanding special purpose revenue bonds or refunding special
21 purpose revenue bonds have matured or are the subject of
22 redemption or whether the refunding special purpose revenue



1 bonds shall be bonds for the multi-project programs described in
2 section 2. In making this determination, the department shall
3 comply with federal law relating to the exemption from federal
4 income taxation of the interest on bonds of the nature
5 authorized by this section.

6 SECTION 5. The authorization to issue special purpose
7 revenue bonds under this Act shall lapse on June 30, 2016.

8 SECTION 6. This Act shall take effect on July 1, 2011.

APPROVED this 8 day of JUN, 2011



GOVERNOR OF THE STATE OF HAWAII

