



- 1 carbon emissions, and ensures our nation's energy  
2 security;
- 3 (2) Support clean economic development within the State  
4 and within participating states, territories, and  
5 municipalities, by increasing access to capital for  
6 local governments, businesses, and non-profits in  
7 partnership with local financial institutions;
- 8 (3) Lessen the burden on the State and other participating  
9 states, territories, and municipalities of financing  
10 qualified renewable energy, renewable energy  
11 transmission, energy efficiency, distributed  
12 generation, and oil-saving projects and technologies;  
13 zero- or low-carbon transportation; clean energy  
14 manufacturing; municipal water efficiency; municipal  
15 waste efficiency; job training for energy efficiency  
16 projects; and for other related purposes;
- 17 (4) Evaluate and coordinate financing for qualifying clean  
18 economy projects;
- 19 (5) Provide loans, loan guarantees, debt securitization,  
20 insurance, portfolio insurance, and other forms of  
21 financing support or risk management to qualified  
22 clean economy projects;

- 1           (6) Facilitate efficient tax equity markets for qualified  
2           clean economy projects;
- 3           (7) Facilitate the financing of long-term clean energy  
4           purchasing by governmental and non-governmental not-  
5           for-profit entities;
- 6           (8) Develop and foster the consistent application of  
7           transparent underwriting standards, standard  
8           contractual terms, and measurement and verification  
9           protocols for qualifying clean economy projects;
- 10          (9) Compile performance data that enables effective  
11          underwriting, risk management, and pro-forma modeling  
12          of financial performance of qualifying clean economy  
13          projects to support primary financing markets and  
14          stimulate development of secondary investment markets  
15          for clean economy projects;
- 16          (10) Foster within the State the level of financing support  
17          for qualifying clean economy projects necessary to  
18          advance vital national and state objectives,  
19          including:
- 20                (A) Achieving energy independence from foreign energy  
21                sources;

- 1 (B) Abating climate change by increasing zero- or
- 2 low- carbon electricity generation and
- 3 transportation capabilities;
- 4 (C) Realizing the energy efficiency potential in
- 5 existing infrastructure;
- 6 (D) Easing the economic effects of transitioning from
- 7 a carbon based economy to a clean energy economy;
- 8 (E) Creating jobs through the construction and
- 9 operation of qualifying clean economy projects;
- 10 (F) Upholding fair labor standards;
- 11 (G) Fostering long-term domestic manufacturing
- 12 capacity in the clean economy industries; and
- 13 (H) Complementing and supplementing other clean
- 14 economy legislation at the federal or State
- 15 level; and
- 16 (11) Use profits beyond those necessary to accomplish the
- 17 enumerated purposes of the bank and for the continued
- 18 sound operation of the bank to create credit
- 19 enhancement mechanisms such as loan loss reserves,
- 20 revolving loan funds, interest rate buydowns, or other
- 21 similar mechanisms that decrease the cost of capital
- 22 for certain qualifying clean economy projects, which

1 shall include affordable housing retrofits and  
2 modifications in accordance with the purposes of this  
3 chapter.

4 § -2 **Definitions.** For purposes of this chapter:

5 "Advisory board" means the advisory board of the clean  
6 economy bank of the State of Hawaii established under section  
7 -5.

8 "Bank" means the clean economy bank of the State of Hawaii.

9 "Board" means the board of the clean economy bank of the  
10 State of Hawaii established under section -4.

11 "Clean economy" means any enterprise or industry that  
12 participates in the generation, storage, or distribution of  
13 renewable energy, including but not limited to direct renewable  
14 energy generation using waste-to-energy technologies, farm-to-  
15 fuel technologies, biodiesel, or heat capture; increases energy  
16 efficiency or resource productivity; reduces carbon emissions or  
17 waste; or uses water or waste more efficiently; manufactures  
18 component parts of renewable energy or energy efficiency  
19 technologies; employs energy efficiency measures; engages in  
20 building science and construction projects to increase energy  
21 efficiency or otherwise reduce carbon emissions or waste; or  
22 develops or deploys electric and hybrid energy transportation.

1 "Clean economy project" means any undertaking of  
2 electricity generation, storage, or transmission; heating or  
3 cooling process; industrial process; reduction of oil use in  
4 transportation or manufacturing; municipal water or waste  
5 project; or related technical assessments or energy audit that:

- 6 (1) Reduces the need for additional energy supplies by  
7 using, transmitting, distributing, or transporting  
8 existing energy supplies with greater effectiveness  
9 through the infrastructure of the United States;
- 10 (2) Diversifies the sources of the energy supply of the  
11 United States to strengthen energy security and to  
12 increase supplies with a favorable balance of  
13 environmental effects; or
- 14 (3) Contributes to the stabilization of atmospheric  
15 greenhouse gas concentrations through reduction,  
16 avoidance, or sequestration of energy-related  
17 emissions of greenhouse gases.

18 "Community development financial institution" has the same  
19 meaning as a community development financial institution under  
20 the Riegle Community Development and Regulatory Improvement Act  
21 of 1994, title 12 United States Code section 4702.

1 "Customer" means any person or entity that has transacted  
2 or is transacting business with, has used or is using the  
3 services of the bank, or for which the bank has acted or is  
4 acting as a fiduciary with respect to trust property.

5 "Participating state, territory, or municipality" means a  
6 state, territory, or municipality of the United States that  
7 contributes to the capitalization of one or more of the bank's  
8 funds and satisfies other requirements as determined by the  
9 board.

10 "Practitioners advisory board" means the clean economy  
11 practitioners advisory board established by section -6.

12 "Qualifying clean economy project" means a clean economy  
13 project that meets the criteria of this chapter for financing  
14 support or risk management from the bank.

15 § -3 **Qualifying clean economy projects.** To qualify for  
16 financing support or risk management from the bank, a clean  
17 economy project shall:

- 18 (1) Employ commercially viable technologies;
- 19 (2) Be capable of being carried out in a commercially  
20 viable manner within the State or a participating  
21 state, territory, or municipality within years of  
22 the commencement of operation of the bank;

1           (3) Remain current on interest and debt payment  
2                   obligations; and

3           (4) Satisfy any other conditions established by the bank.

4           **§ -4 Board of the bank; powers and duties.** (a) The  
5 board of the clean economy bank of the State of Hawaii shall  
6 operate, manage, and control the bank. The board shall locate  
7 and maintain places of business of the bank and shall adopt and  
8 enforce rules, orders, and bylaws for the transaction of the  
9 bank's business. The powers of the board and the functions of  
10 the bank shall be implemented through actions taken and policies  
11 and rules adopted by the board.

12           (b) The board shall consist of the governor, who shall act  
13 as the board's chair, and six additional members who shall serve  
14 their terms pursuant to section 26-34 and shall be otherwise  
15 appointed as follows:

16           (1) Two members shall be appointed by the governor;

17           (2) One member shall be appointed by the speaker of the  
18                   house of representatives;

19           (3) One member shall be appointed by the president of the  
20                   senate;

21           (4) One member shall be appointed by the president of the  
22                   AFL-CIO; and

1 (5) One member shall be appointed by the president of the  
2 Change to Win Federation.

3 (c) The board shall adopt rules requiring the holding of  
4 regular meetings and specifying the means for providing notice  
5 of the meetings; provided that a special meeting of the board  
6 may be called at any time upon notice by the governor or by a  
7 majority of the members of the board.

8 (d) The presence of a majority of the board shall  
9 constitute a quorum to transact business and exercise all  
10 rights, duties, and powers of the board.

11 (e) The board shall appoint a president of the bank;  
12 provided that the person appointed shall have extensive  
13 experience in banking. The board may appoint and employ any  
14 subordinate officers, employees, and agents as the board  
15 considers necessary, and shall define the duties, designate the  
16 titles, and fix the compensation of all those persons. The  
17 board may designate the president or other officers or employees  
18 as its agent in respect to the functions of the bank, subject to  
19 the supervision, limitation, and control of the board.

20 (f) The board may remove and discharge any person  
21 appointed in the exercise of its powers granted under this  
22 chapter.

1           §    -5 **Advisory board of directors; appointment and**  
2 **duties.** (a) To enlist the help of private enterprise and to  
3 encourage active exercise of the purposes for which the bank was  
4 established, the board shall establish an advisory board of  
5 directors that shall consist of eight members. Appointments to  
6 the advisory board shall not be subject to section 26-34.

7           (b) The members of the advisory board of directors shall  
8 include representatives of the financial, business, labor union,  
9 and non-profit sectors. At least two members shall be officers  
10 of banks or credit unions incorporated in the State; and, in  
11 order to foster collaboration with other participating states,  
12 territories, and municipalities, at least two members shall be  
13 non-residents of the State of Hawaii.

14           (c) The board shall appoint a chairperson, vice-  
15 chairperson, and secretary of the advisory board from among the  
16 advisory board members. The term of office, including  
17 renewability and maximum length of service; provisions for  
18 replacement of members of the advisory board due to expiration  
19 of term, removal, or suspension; grounds for removal or  
20 suspension of an advisory board member; and constitution of  
21 quorum for the conduct of business by the advisory board shall

1 be determined by the board by rule; provided that the term of  
2 office of an advisory board member shall not exceed four years.

3 (d) The advisory board of directors shall:

4 (1) Meet regularly with the management officers of the  
5 bank to review the bank's operations and finances to  
6 determine whether recommendations should be made by  
7 the advisory board to the board relating to improved  
8 management performance, better customer service, and  
9 overall improvement in internal methods, procedures,  
10 and operating policies of the bank;

11 (2) Meet regularly with the board to make recommendations  
12 to the board relating to:

13 (A) The establishment of additional objectives for  
14 the operation of the bank;

15 (B) Recommendations concerning the appointment of  
16 officers of the bank; and

17 (C) Any other recommendations concerning the bank;  
18 and

19 (3) Participate on loan committees, pursuant to rules  
20 adopted by the board under section -7.

21 **§ -6 Clean economy practitioners advisory board;**

22 **appointment and duties.** (a) To identify potential clean

1 economy projects and technologies that may be deemed qualifying  
2 clean economy projects, eligible for investment by the bank, the  
3 board shall appoint an advisory board of clean economy  
4 practitioners that shall consist of eight members. Appointments  
5 to the practitioners board shall not be subject to section 26-  
6 34.

7 (b) The members of the advisory board of clean economy  
8 practitioners shall include representatives of the financial,  
9 business, non-profit, and public labor sectors. At least two  
10 members shall be officers of banks or credit unions incorporated  
11 in the State; and, in order to foster collaboration with other  
12 participating states, territories, and municipalities, at least  
13 four members shall be non-residents of the State of Hawaii.

14 (c) The board shall appoint a chairperson, vice-  
15 chairperson, and secretary of the practitioners advisory board  
16 from among the practitioners advisory board members. The term  
17 of office, including renewability and maximum length of service;  
18 provisions for replacement of members of the practitioners  
19 advisory board due to expiration of term, removal, or  
20 suspension; grounds for removal or suspension of an advisory  
21 board member; and constitution of quorum for the conduct of  
22 business by the practitioners advisory board shall be determined

1 by the board by rule; provided that the term of office of an  
2 advisory board member shall not exceed four years.

3 (d) The practitioners advisory board shall:

4 (1) Meet biannually with the management officers of the  
5 bank to review the bank's current list of qualifying  
6 clean economy projects and make recommendations  
7 regarding existing qualifying clean economy projects  
8 and new potential qualifying clean economy projects;  
9 and

10 (2) Meet annually with the board to present any  
11 recommendations concerning the bank.

12 § -7 **Development of rules and standards.** (a) Before  
13 making any loan, loan guarantee, debt securitization instrument,  
14 insurance, portfolio insurance, or any other form of financing  
15 support or risk management, the bank shall develop standards to  
16 govern the administration of the bank through policies and  
17 procedures adopted by rule pursuant to section -13 that  
18 specify:

19 (1) Requirements to facilitate opt-in participation by  
20 states, territories, and municipalities;

21 (2) Eligibility of borrowers including participating  
22 states, territories, and municipalities; businesses

1 and farms located within the State or participating  
2 states, territories, and municipalities; and the types  
3 of projects eligible for financing support or risk  
4 management;

5 (3) Requirements concerning the technical and economic  
6 viability and revenue self-sufficiency of eligible  
7 projects;

8 (4) Required collateral or other security;

9 (5) Terms and conditions of financing support and risk  
10 management;

11 (6) Criteria to establish financial feasibility and to  
12 measure the amount of state assistance necessary for  
13 particular projects; and

14 (7) Other relevant criteria, standards, or procedures.

15 (b) Before making any loan, loan guarantee, debt  
16 securitization instrument, insurance, portfolio insurance, or  
17 any other form of financing support or risk management, the bank  
18 shall develop standards to govern the conduct of business of the  
19 bank through policies and procedures adopted by rule pursuant to  
20 section -13 that:

21 (1) Ensure the safety and soundness of the bank that, to  
22 the extent possible, reflect applicable standards for

- 1 safety and soundness set forth in 12 Code of Federal  
2 Regulations part 364;
- 3 (2) Specify the bank's powers and permissible investments  
4 and activities;
- 5 (3) Authorize specific services that the bank may provide;
- 6 (4) Specify limits for loans and other obligations the  
7 bank makes or undertakes;
- 8 (5) Specify reserve requirements; and
- 9 (6) Specify other requirements that the board considers  
10 necessary.

11 (c) Standards and rules adopted pursuant to this section  
12 shall be approved by majority vote of the board.

13 § -8 **Hawaii first fund.** The bank shall establish the  
14 Hawaii first fund, separate from other funds of the bank, which  
15 shall be reserved to support qualified clean economy projects  
16 and businesses and farms located in the State and Hawaii-based  
17 businesses that seek financing for clean economy projects  
18 elsewhere in the United States.

19 § -9 **Funding sources.** (a) The bank may accept deposits  
20 of public funds. All income earned by the bank for its own  
21 account on public funds shall be credited to and become a part  
22 of the revenues and income of the bank; provided that a public

1 official who has control of the public funds deposited in the  
2 bank shall be exempt from liability for any loss of the funds as  
3 provided in section -16.

4 (b) The bank shall pay interest on deposits of public  
5 funds at a rate comparable to rates paid by private depositories  
6 of public funds. As determined by the board, the bank may offer  
7 other financial products to the department of budget and  
8 finance.

9 (c) The department of budget and finance shall deposit  
10 into the Hawaii first fund moneys from the general fund in an  
11 amount that the department of budget and finance determines is  
12 necessary to allow the bank to fulfill its duties to the State  
13 under this chapter.

14 (d) The bank may receive and deposit charitable gifts,  
15 grants, contributions, and loans from individuals, corporations,  
16 and philanthropic foundations.

17 (e) The bank may raise capital through issuing its own  
18 bonds or notes, including tax-exempt bond offerings and small  
19 denomination clean economy bonds available for purchase by  
20 consumers on a retail basis. The bank may borrow from  
21 commercial lenders.

1 (f) In consultation with existing community development  
2 financial institutions, local community development  
3 organizations, and appropriate community stakeholders, the bank  
4 may seek to qualify as a community development financial  
5 institution and be eligible for funding from the community  
6 development financial institution fund administered by the  
7 United States Department of Treasury. Upon qualification and  
8 designation as a community development financial institution,  
9 the bank shall, subject to applicable federal law, be eligible  
10 to receive discount loans from banks seeking to meet their  
11 community reinvestment act obligations and shall be treated as a  
12 qualified community development entity for purposes of section  
13 45D and section 1400N(m) of the Internal Revenue Code of 1986,  
14 as amended, and applicable regulations.

15 (g) Once the bank is capitalized and begins its clean  
16 economy financing support activities, the bank may provide loans  
17 to leverage and otherwise catalyze equity investments in clean  
18 economy projects. The bank may receive funds for its financing  
19 support, including through a return of and interest on its  
20 direct loans and partnerships with other investors, to cover  
21 administrative expenses and credit risk.

1           (h) In the event that a market for carbon emission credits  
2 emerges, the bank may participate as a credit supplier using  
3 credits earned from its clean economy financing projects,  
4 consistent with any federal or state rules or laws governing  
5 offsets, renewable energy credits, or other tradeable  
6 instruments.

7           (i) The legislature may appropriate additional funds from  
8 any appropriate source to provide financing support for  
9 qualifying clean economy projects.

10          (j) Pursuant to chapter 269, the public utilities  
11 commission shall assess a charge of not less than        per  
12 kilowatt hour charged to each end use customer of electric  
13 utility services in the State, which shall be deposited into the  
14 Hawaii first fund.

15          §    -10   **Powers of the bank.**    The bank may:

16          (1) Make, purchase, guarantee, or hold loans:

17                (A) To participating states, territories, and  
18                    municipalities;

19                (B) To state chartered or federally chartered lending  
20                    agencies or institutions or other financial  
21                    institutions;

- 1 (C) That are insured or guaranteed in whole or in  
2 part by the United States, its agencies, or  
3 instrumentalities;
- 4 (D) Obtained as security pledged for or originated in  
5 the restructuring of any other loan properly  
6 originated or participated in by the bank; or
- 7 (E) To agencies or instrumentalities of the State of  
8 Hawaii;
- 9 (2) Purchase participation interests in loans made or held  
10 by banks, bank holding companies, state chartered or  
11 federally chartered lending agencies or institutions,  
12 or any other financial institution or entity that  
13 provides financial services and meets underwriting  
14 standards established by rule by the board and that  
15 are generally accepted by state or federal financial  
16 regulatory agencies;
- 17 (3) Invest its funds in conformity with policies of the  
18 board and the department of budget and finance;
- 19 (4) Buy and sell federal funds;
- 20 (5) Lease, assign, sell, exchange, transfer, convey,  
21 grant, pledge, or mortgage all real and personal

- 1 property, title to which has been acquired in any  
2 manner;
- 3 (6) Perform all acts and do all things necessary,  
4 convenient, advisable, or desirable to carry out the  
5 powers expressly granted or necessarily implied in  
6 this chapter through or by means of its president,  
7 officers, agents, or employees or by contracts with  
8 any person, firm, or corporation;
- 9 (7) Purchase, guarantee, or hold loans originated by  
10 financial institutions doing business in the State and  
11 in participating states, territories, and  
12 municipalities;
- 13 (8) Make loans in the form of participation loans to  
14 qualified persons residing in or doing business in the  
15 State where the originator of the loan is a private  
16 financial institution;
- 17 (9) Act as a custodian bank for financial institutions  
18 organized under the laws of the State and accept  
19 deposits from the financial institutions in connection  
20 with this function;
- 21 (10) Issue bank stock loans to financial institutions  
22 organized under the laws of the State; and

1           (11) For financial institutions that make the bank a  
2           reserve depository, perform the functions and render  
3           the services of a clearinghouse, including all  
4           facilities for providing domestic and foreign  
5           exchange, and rediscount paper on terms prescribed by  
6           the board of the bank.

7           §    -11 **Lending; financing; expenditures.** (a) The bank  
8           shall establish a program to provide on a competitive basis  
9           loans, loan guarantees, debt securitization, insurance,  
10          portfolio insurance, and other forms of financing support or  
11          risk management, as the bank determines appropriate, for any  
12          qualifying clean economy project.

13          (b) The bank shall only provide financing support and risk  
14          management pursuant to subsection (a) if:

15               (1) The support or risk management is commercially  
16               reasonable and does not exceed eighty per cent of the  
17               capitalization of the qualified clean energy project;  
18               and

19               (2) The support or risk management is secured by the  
20               underlying project or other collateral that the bank  
21               determines appropriate.

1           (c) The bank may facilitate financing transactions in tax  
2 equity markets and long-term purchasing of clean economy  
3 projects by governmental entities and non-governmental not-for-  
4 profit entities to the degree and extent that the bank  
5 determines the financing activity is appropriate and consistent  
6 with carrying out the terms of this section.

7           (d) The bank is authorized to create, accept, execute, and  
8 otherwise administer in all respects trusts, receiverships,  
9 conservatorships, liquidating or other agencies, or other  
10 fiduciary and representative undertakings and activities, as  
11 appropriate for financing purposes. Instruments issued by the  
12 bank pursuant to this section shall be exempt securities within  
13 the meaning of laws administered by the Securities and Exchange  
14 Commission to the same extent as securities which are direct  
15 obligations of or obligations guaranteed as to principal or  
16 interest by the United States.

17           (e) The bank shall assess reasonable fees on its  
18 activities including loans, loan guarantees, insurance,  
19 portfolio insurance, and other forms of financing support or  
20 risk management it provides so as to cover its reasonable costs  
21 and expenses as determined by the board; provided that the bank  
22 operates as a not-for-profit entity. To the extent a loan or

1 loan guarantee is issued using funding from the United States  
2 Treasury, interest payments shall be sufficient to pay any  
3 applicable credit subsidy costs to the United States under the  
4 Federal Credit Reform Act of 1990, title 2 United States Code  
5 sections 661 et seq. The credit subsidy cost fee shall be paid  
6 by the borrower and shall be treated as a permitted project  
7 cost.

8 (f) The president of the bank:

9 (1) Shall require any entity receiving financing support  
10 or risk management including a loan, loan guarantee,  
11 debt securitization, insurance, portfolio insurance,  
12 and other forms of financing support pursuant to this  
13 section to report quarterly, in a format specified by  
14 the president, on the entity's use of the financing  
15 support and progress in fulfilling the objectives for  
16 which such support was granted; provided that the  
17 president of the bank shall make reports submitted  
18 pursuant to this paragraph available to the public;

19 (2) May establish additional reporting and information  
20 requirements for any recipient of financing support  
21 made available pursuant to this section;

- 1           (3) Shall establish appropriate mechanisms to ensure  
2           appropriate use and compliance with all terms of any  
3           financing support made available pursuant to this  
4           section;
- 5           (4) May, in addition to and consistent with any other  
6           authority under applicable law, deobligate financing  
7           support made available pursuant to this section to  
8           entities that demonstrate an insufficient level of  
9           performance or wasteful or fraudulent spending as  
10          determined by the president in advance of the award of  
11          financing support and may award deobligated funds  
12          competitively to new or existing applicants consistent  
13          with this chapter;
- 14          (5) Shall create and maintain a fully searchable database,  
15          accessible on the internet or successor information  
16          protocol at no cost to the public that contains at  
17          least:
- 18                (A) A list of each entity that has applied for a  
19                loan, loan guarantee, insurance, portfolio  
20                insurance, or other forms of financing support or  
21                risk management under this section along with a  
22                brief description and status of each application;

1           (B) The name of each entity receiving funds made  
2           available pursuant to this section, the purpose  
3           for which each entity is receiving funds, and  
4           each quarterly report submitted by the entity  
5           pursuant to paragraph (1); and

6           (C) Any other information that the president  
7           determines is sufficient to allow the public to  
8           understand and monitor loans, loan guarantees,  
9           insurance, portfolio insurance, and other forms  
10          of financing support or risk management provided  
11          under this section.

12          (g) To the extent practicable, data maintained pursuant to  
13          subsection (f) shall be used to inform private capital markets,  
14          including the development of underwriting standards for the  
15          financing of clean energy projects and energy efficiency  
16          projects.

17          (h) The bank shall make all financing transactions  
18          available for public inspection, including the accommodation of  
19          formal annual reviews by both a private auditor and the state  
20          auditor.

1 (i) The bank shall at all times maintain a mechanism for  
2 the receipt, in writing, of public comment on the activities of  
3 the bank.

4 § -12 **Income; excess earnings.** Except as otherwise  
5 provided, as soon as possible after the end of each calendar  
6 year, the board shall determine the amount of income that is in  
7 excess of amounts necessary to pay for expenses of administering  
8 the activities of the bank, if any, earned by the bank in that  
9 calendar year. The amount of the excess shall be used to create  
10 credit enhancement mechanisms such as loan loss reserves,  
11 revolving loan funds, interest rate buydowns, or other similar  
12 mechanisms to decrease cost of capital for certain types of  
13 qualifying clean economy projects, as determined by the board;  
14 provided that the qualifying clean economy projects shall  
15 include affordable housing retrofits and modifications in  
16 accordance with the purposes of this chapter.

17 § -13 **Rulemaking.** (a) The board shall develop a  
18 process, not subject to chapter 91, for approving standards and  
19 for adopting rules that includes public notice and an  
20 opportunity for interested stakeholders to submit comments on  
21 proposed standards.

1 (b) The department of commerce and consumer affairs shall  
2 examine the bank not less frequently than once each calendar  
3 quarter to verify that the bank is complying with its rules  
4 adopted pursuant to subsection (a). The department of commerce  
5 and consumer affairs shall report the results of the examination  
6 to the board and to the legislature. The report shall be a  
7 public record subject to disclosure pursuant to chapter 92.

8 (c) The state auditor shall audit the accounts and  
9 financial affairs of the bank no less frequently than once every  
10 two years. The auditor's report shall be a public record  
11 subject to disclosure pursuant to chapter 92.

12 § -14 **Deposits; guaranteed by State; exempt from**  
13 **taxation.** (a) All deposits in the bank shall be guaranteed by  
14 the State.

15 (b) The deposits and any income earned by the bank shall  
16 not be subject to state or local taxes of any kind.

17 § -15 **Civil actions.** (a) Civil actions may be brought  
18 as provided in this section against the State for claims for  
19 relief asserted to have arisen out of transactions connected  
20 with the operation of the bank.

1 (b) In an action brought pursuant to this section, the  
2 State shall be designated as the State of Hawaii, doing business  
3 as the clean economy bank of the State of Hawaii.

4 (c) An action brought pursuant to this section may be  
5 brought in any circuit court of the State in the same manner and  
6 subject to the same laws and rules of the courts as other civil  
7 actions.

8 **§ -16 Public officials; exemption from liability.**

9 Whenever any public funds are deposited in the bank, the public  
10 official who deposited the funds and the sureties on any bond of  
11 the public official shall be exempt from liability by reason of  
12 loss of any of the funds while the funds are deposited in the  
13 bank.

14 **§ -17 Conduct of business; execution of instruments.**

15 (a) All business of the bank shall be conducted under the name  
16 of the clean economy bank of the State of Hawaii or the clean  
17 economy bank. Title to property pertaining to the operation of  
18 the bank shall be obtained and conveyed in the name of the State  
19 of Hawaii, doing business as the clean economy bank of the State  
20 of Hawaii.

21 (b) Instruments shall be executed in the name of the State  
22 of Hawaii. Within the scope of authority granted by the board,

1 the president of the bank may execute instruments on behalf of  
2 the bank, including any instrument granting, conveying, or  
3 otherwise affecting any interest in or lien upon real or  
4 personal property.

5 (c) Other officers or employees of, and legal counsel to,  
6 the bank may execute instruments on behalf of the bank when  
7 authorized by the board.

8 § -18 **Certain records confidential.** (a) The following  
9 records of the bank shall be confidential and shall not be  
10 disclosed:

11 (1) Commercial or financial information of a customer of  
12 the bank, whether obtained directly or indirectly,  
13 other than information disclosed in routine credit  
14 inquiries concerning information that is required to  
15 be disclosed in accordance with due legal process and  
16 information required to be disclosed pursuant to  
17 section -11(f);

18 (2) Internal or interagency memoranda or letters that  
19 would not be available by law to a party other than in  
20 litigation with the bank; and

21 (3) Except as provided in section -13, information that  
22 is contained in or related to a report of an

1 examination or operating or condition reports prepared  
2 by, on behalf of, or for the use of, a state or  
3 federal agency responsible for the regulation or  
4 supervision of any bank activity."

5 SECTION 2. This Act shall take effect on July 1, 2012.

**Report Title:**

Clean Economy Bank of the State of Hawaii; Renewable Energy;  
Environmental Protection; Economic Development

**Description:**

Establishes the Clean Economy Bank of the State of Hawaii to provide financing support and risk management for qualifying clean economy projects to aid in development of Hawaii's clean energy economy and to lessen the State's dependence on imported energy. Effective July 1, 2012. (PROPOSED HB1033 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*