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# A BILL FOR AN ACT

RELATING TO PUBLIC FINANCE.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4 **"CHAPTER**

5 **CLEAN ECONOMY BANK OF THE STATE OF HAWAII**

6 **§ -1 Clean economy bank of the State of Hawaii**  
7 **established.** (a) The clean economy bank of the State of Hawaii  
8 is established as an independent entity that shall not be a  
9 department, institution, agency, or instrumentality of the  
10 State. Neither the bank nor any of its functions, powers, or  
11 duties shall be transferred to or consolidated with any other  
12 department, agency, or corporation.

13 (b) The purposes of the clean economy bank of the State of  
14 Hawaii shall be to:

15 (1) Enable the State, along with other participating  
16 states, territories, and municipalities, to leverage  
17 aligned resources and collective influence to build a  
18 national clean economy that creates jobs, reduces



- 1 carbon emissions, and ensures the United States'  
2 energy 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 nonprofit entities  
7 in 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  
5           nonprofit 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 purposes of the bank under this subsection and for the
- 18 continued 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 "Bank" means the clean economy bank of the State of Hawaii.

6 "Board" means the board of directors of the clean economy  
7 bank of the State of Hawaii established under section -4.

8 "Clean economy" means any enterprise or industry that  
9 participates in the generation, storage, or distribution of  
10 renewable energy, including direct renewable energy generation  
11 using waste-to-energy technologies, farm-to-fuel technologies,  
12 biodiesel, or heat capture; increases energy efficiency or  
13 resource productivity; reduces carbon emissions or waste; uses  
14 water or waste more efficiently; manufactures component parts of  
15 renewable energy or energy efficiency technologies; employs  
16 energy efficiency measures; engages in building science and  
17 construction projects to increase energy efficiency or otherwise  
18 reduce carbon emissions or waste; or develops or deploys  
19 electric and hybrid energy transportation.

20 "Clean economy project" means any undertaking of  
21 electricity generation, storage, or transmission; heating or  
22 cooling process; industrial process; reduction of oil use in



1 transportation or manufacturing; municipal water or waste  
2 project; or related technical assessment or energy audit that:

3 (1) Reduces the need for additional energy supplies by  
4 using, transmitting, distributing, or transporting  
5 existing energy supplies with greater effectiveness  
6 through the infrastructure of the United States;

7 (2) Diversifies the sources of the energy supply of the  
8 United States to strengthen energy security and to  
9 increase supplies with a favorable balance of  
10 environmental effects; or

11 (3) Contributes to the stabilization of atmospheric  
12 greenhouse gas concentrations through reduction,  
13 avoidance, or sequestration of energy-related  
14 emissions of greenhouse gases.

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

19 "Council" means the advisory council of clean economy  
20 practitioners established by section -5.

21 "Customer" means any person or entity that has transacted  
22 or is transacting business with, has used or is using the



1 services of the bank, or for which the bank has acted or is  
2 acting as a fiduciary with respect to trust property.

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

8 "Qualifying clean economy project" means a clean economy  
9 project that meets the criteria of this chapter for financing  
10 support or risk management from the bank.

11 **§ -3 Qualifying clean economy projects.** To qualify for  
12 financing support or risk management from the bank, a clean  
13 economy project shall:

- 14 (1) Employ commercially viable technologies;
- 15 (2) Be capable of being carried out in a commercially  
16 viable manner within the State or a participating  
17 state, territory, or municipality;
- 18 (3) Remain current on interest and debt payment  
19 obligations; and
- 20 (4) Satisfy any other conditions established by the bank.

21 **§ -4 Board of directors of the bank; powers and duties.**

22 (a) The board of the clean economy bank of the State of Hawaii



1 shall operate, manage, and control the bank. The board shall  
2 locate and maintain places of business of the bank and shall  
3 adopt and enforce rules, orders, and bylaws for the transaction  
4 of the bank's business. The powers of the board and the  
5 functions of the bank shall be implemented through actions taken  
6 and policies and rules adopted by the board.

7 (b) The board shall consist of seven directors who shall  
8 be appointed and serve their terms pursuant to section 26-34.  
9 The members of the board shall include representatives of the  
10 financial, business, labor union, and nonprofit sectors. At  
11 least three members shall be current or former officers of banks  
12 or credit unions incorporated in the State.

13 (c) The board shall adopt rules requiring the holding of  
14 regular meetings and specifying the means for providing notice  
15 of the meetings; provided that a special meeting of the board  
16 may be called at any time upon notice by the governor or by a  
17 majority of the members of the board.

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

21 (e) The board shall appoint a president of the bank;  
22 provided that the person appointed shall have extensive





1 experience in banking. The board may appoint and employ any  
2 subordinate officers, employees, and agents as the board  
3 considers necessary, and shall define the duties, designate the  
4 titles, and fix the compensation of those persons. The board  
5 may designate the president or other officers or employees as  
6 its agent with respect to the functions of the bank, subject to  
7 the supervision, limitation, and control of the board.

8 (f) The board may remove and discharge any person  
9 appointed in the exercise of its powers granted under this  
10 chapter.

11 (g) The board shall elect a chairperson, vice-chairperson,  
12 and secretary from among its members.

13 (h) The board shall participate on loan committees,  
14 pursuant to rules adopted by the board under section -6.

15 (i) The board may establish subsidiaries of the bank and  
16 may serve as the board of those subsidiaries or appoint other  
17 individuals with appropriate experience to serve on the board  
18 for those subsidiaries as appropriate.

19 **§ -5 Advisory council of clean economy practitioners;**  
20 **appointment and duties.** (a) To identify potential clean  
21 economy projects and technologies that may be deemed as  
22 qualifying clean economy projects that are eligible for



1 investment by the bank, the board shall appoint an advisory  
2 council of clean economy practitioners that shall consist of  
3 eight members. Appointments to the council shall not be subject  
4 to section 26-34.

5 (b) The members of the council shall include  
6 representatives of the business, energy, environmental, and  
7 scientific sectors.

8 (c) The board shall appoint a chairperson, vice-  
9 chairperson, and secretary of the council from among the council  
10 members. The term of office, including renewability and maximum  
11 length of service; provisions for replacement of members of the  
12 council due to expiration of term, removal, or suspension;  
13 grounds for removal or suspension of a council member; and  
14 constitution of quorum for the conduct of business by the  
15 council shall be determined by the board by rule; provided that  
16 the term of office of a council member shall not exceed four  
17 years.

18 (d) The council shall:

19 (1) Meet quarterly with the management officers of the  
20 bank to review the bank's current list of qualifying  
21 clean economy projects and make recommendations



1            regarding existing qualifying clean economy projects  
 2            and potential qualifying clean economy projects; and  
 3            (2) Meet annually with the board to present any  
 4            recommendations concerning the bank.

5            **§ -6 Development of rules and standards.** (a) Before  
 6 making any loan, loan guarantee, debt securitization instrument,  
 7 insurance, portfolio insurance, or any other form of financing  
 8 support or risk management, the bank shall develop standards to  
 9 govern the administration of the bank through policies and  
 10 procedures adopted by rule pursuant to section -12 that  
 11 specify:

- 12            (1) Requirements to facilitate opt-in participation by
- 13            states, territories, and municipalities;
- 14            (2) Eligibility of borrowers including participating
- 15            states, territories, and municipalities; businesses
- 16            and farms located within the State or participating
- 17            states, territories, and municipalities; and the types
- 18            of projects eligible for financing support or risk
- 19            management;
- 20            (3) Requirements concerning the technical and economic
- 21            viability and revenue self-sufficiency of eligible
- 22            projects;



- 1 (4) Required collateral or other security;
- 2 (5) Terms and conditions of financing support and risk
- 3 management;
- 4 (6) Criteria to establish financial feasibility and to
- 5 measure the amount of state assistance necessary for
- 6 particular projects; and
- 7 (7) Other relevant criteria, standards, or procedures.
- 8 (b) Before making any loan, loan guarantee, debt
- 9 securitization instrument, insurance, portfolio insurance, or
- 10 any other form of financing support or risk management, the bank
- 11 shall develop standards to govern the conduct of business of the
- 12 bank through policies and procedures adopted by rule pursuant to
- 13 section -12 that:
  - 14 (1) Ensure the safety and soundness of the bank that, to
  - 15 the extent possible, reflect applicable standards for
  - 16 safety and soundness set forth in title 12 Code of
  - 17 Federal Regulations part 364;
  - 18 (2) Specify the bank's powers and permissible investments
  - 19 and activities;
  - 20 (3) Authorize specific services that the bank may provide;
  - 21 (4) Specify limits for loans and other obligations the
  - 22 bank makes or undertakes;



- 1 (5) Specify reserve requirements; and
- 2 (6) Specify other requirements that the board considers
- 3 necessary.

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

6 **§ -7 Hawaii first fund.** The bank shall establish the  
7 Hawaii first fund, separate from other funds of the bank, that  
8 shall be reserved to support qualified clean economy projects  
9 and businesses and farms located in the State and Hawaii-based  
10 businesses that seek financing for clean economy projects  
11 elsewhere in the United States.

12 **§ -8 Funding sources.** (a) The bank may accept deposits  
13 of public funds. All income earned by the bank for its own  
14 account on public funds shall be credited to and become a part  
15 of the revenues and income of the bank; provided that a public  
16 official who has control of the public funds deposited in the  
17 bank shall be exempt from liability for any loss of the funds as  
18 provided in section -15.

19 (b) The bank shall pay interest on deposits of public  
20 funds at a rate comparable to rates paid by private depositories  
21 of public funds. As determined by the board, the bank may offer



1 other financial products to the department of budget and  
2 finance.

3 (c) The bank may receive and deposit charitable gifts,  
4 grants, contributions, and loans from individuals, corporations,  
5 and philanthropic foundations.

6 (d) The bank may raise capital through issuing its own  
7 bonds or notes, including tax-exempt and tax credit bond  
8 offerings, such as qualified energy conservation bonds and  
9 similar instruments, and small denomination clean economy bonds  
10 available for purchase by consumers on a retail basis. The bank  
11 may borrow from commercial lenders.

12 (e) In consultation with existing community development  
13 financial institutions, local community development  
14 organizations, and appropriate community stakeholders, one or  
15 more subsidiaries of the bank may seek to qualify as a community  
16 development financial institution and be eligible for funding  
17 from the community development financial institution fund  
18 administered by the United States Department of Treasury. Upon  
19 qualification and designation as a community development  
20 financial institution, the subsidiary shall, subject to  
21 applicable federal law, be eligible to receive discount loans  
22 from banks seeking to meet their community reinvestment act



1 obligations and shall be treated as a qualified community  
2 development entity for purposes of section 45D and section  
3 1400N(m) of the Internal Revenue Code and applicable  
4 regulations.

5 (f) Once the bank is capitalized and begins its clean  
6 economy financing support activities, the bank may provide loans  
7 to leverage and otherwise catalyze equity investments in clean  
8 economy projects. The bank may receive funds for its financing  
9 support, including through a return of and interest on its  
10 direct loans and partnerships with other investors, to cover  
11 administrative expenses and credit risk.

12 (g) In the event that a market for carbon emission credits  
13 emerges, the bank may participate as a credit supplier using  
14 credits earned from its clean economy financing projects,  
15 consistent with any federal or state rules or laws governing  
16 offsets, renewable energy credits, or other tradeable  
17 instruments.

18 (h) The legislature may appropriate additional funds from  
19 any appropriate source to provide financing support for  
20 qualifying clean economy projects.

21 **§ -9 Powers of the bank.** The bank may:

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



- 1 (A) To agencies or instrumentalities of the State of  
2 Hawaii;
- 3 (B) To agencies or instrumentalities of the counties  
4 in the State of Hawaii;
- 5 (C) To participating states, territories, and  
6 municipalities;
- 7 (D) To state-chartered or federally chartered lending  
8 agencies or institutions or other financial  
9 institutions;
- 10 (E) That are insured or guaranteed in whole or in  
11 part by the United States, its agencies, or  
12 instrumentalities; or
- 13 (F) Obtained as security pledged for or originated in  
14 the restructuring of any other loan properly  
15 originated or participated in by the bank;
- 16 (2) Purchase participation interests in loans made or held  
17 by banks, bank holding companies, state-chartered or  
18 federally chartered lending agencies or institutions,  
19 or any other financial institution or entity that  
20 provides financial services and meets underwriting  
21 standards established by rule by the board and that





- 1 are generally accepted by state or federal financial  
2 regulatory agencies;
- 3 (3) Invest its funds in conformity with policies of the  
4 board and the department of budget and finance;
- 5 (4) Buy and sell federal funds;
- 6 (5) Lease, assign, sell, exchange, transfer, convey,  
7 grant, pledge, or mortgage all real and personal  
8 property, title to which has been acquired in any  
9 manner;
- 10 (6) Perform all acts and do all things necessary,  
11 convenient, advisable, or desirable to carry out the  
12 powers expressly granted or necessarily implied in  
13 this chapter through or by means of its president,  
14 officers, agents, or employees or by contracts with  
15 any person, firm, or corporation;
- 16 (7) Purchase, guarantee, or hold loans originated by  
17 financial institutions doing business in the State and  
18 in participating states, territories, and  
19 municipalities;
- 20 (8) Make loans in the form of participation loans to  
21 qualified persons residing in or doing business in the



- 1 State where the originator of the loan is a private
- 2 financial institution;
- 3 (9) Act as a custodian bank for financial institutions
- 4 organized under the laws of the State and accept
- 5 deposits from the financial institutions in connection
- 6 with this function;
- 7 (10) Issue bank stock loans to financial institutions
- 8 organized under the laws of the State; and
- 9 (11) For financial institutions that make the bank a
- 10 reserve depository, perform the functions and render
- 11 the services of a clearinghouse, including all
- 12 facilities for providing domestic and foreign
- 13 exchange, and rediscount paper on terms prescribed by
- 14 the board of the bank.

15 **§ -10 Lending; financing; expenditures.** (a) The bank  
16 shall establish a program to provide on a competitive basis  
17 loans, loan guarantees, debt securitization, insurance,  
18 portfolio insurance, and other forms of financing support or  
19 risk management, as the bank determines appropriate, for any  
20 qualifying clean economy project.

1 (b) In making loans or providing financing support, the  
2 bank's priorities shall be for qualifying clean economy  
3 projects:

- 4 (1) In Hawaii that are entered into by agencies and  
5 instrumentalities of the State of Hawaii;
- 6 (2) In Hawaii that are entered into by agencies and  
7 instrumentalities of the counties in the State of  
8 Hawaii;
- 9 (3) In Hawaii that are entered into by federal agencies  
10 and instrumentalities;
- 11 (4) In Hawaii that are entered into by Hawaii-based, non-  
12 governmental, nonprofit entities;
- 13 (5) In Hawaii that are entered into by Hawaii-based, non-  
14 governmental, for-profit entities;
- 15 (6) Outside of Hawaii that are entered into by states,  
16 territories, or municipalities that have met the  
17 participation criteria established by the board;
- 18 (7) Outside of Hawaii that are entered into by Hawaii-  
19 based, non-governmental, nonprofit entities;
- 20 (8) Outside of Hawaii that are entered into by Hawaii-  
21 based, non-governmental, for-profit entities;



1 (9) Outside of Hawaii that are entered into by non-Hawaii-  
2 based, non-governmental, nonprofit entities; and

3 (10) Outside of Hawaii that are entered into by non-Hawaii-  
4 based, non-governmental, for-profit entities.

5 (c) The bank shall only provide financing support and risk  
6 management pursuant to subsection (a) if:

7 (1) The support or risk management is commercially  
8 reasonable and does not exceed eighty per cent of the  
9 capitalization of the qualifying clean energy project;  
10 and

11 (2) The support or risk management is secured by the  
12 underlying project or other collateral that the bank  
13 determines appropriate.

14 (d) The bank may facilitate financing transactions in tax  
15 equity markets and long-term purchasing of clean economy  
16 projects by governmental entities and non-governmental nonprofit  
17 entities to the degree and extent that the bank determines the  
18 financing activity is appropriate and consistent with carrying  
19 out the terms of this section.

20 (e) The bank is authorized to create, accept, execute, and  
21 otherwise administer in all respects trusts, receiverships,  
22 conservatorships, liquidating or other agencies, or other



1 fiduciary and representative undertakings and activities, as  
2 appropriate for financing purposes. Instruments issued by the  
3 bank pursuant to this section shall be exempt securities within  
4 the meaning of laws administered by the Securities and Exchange  
5 Commission to the same extent as securities that are direct  
6 obligations of or obligations guaranteed as to principal or  
7 interest by the United States.

8 (f) The bank shall assess reasonable fees on its  
9 activities including loans, loan guarantees, insurance,  
10 portfolio insurance, and other forms of financing support or  
11 risk management it provides so as to cover its reasonable costs  
12 and expenses as determined by the board; provided that the bank  
13 operates as a nonprofit entity. To the extent a loan or loan  
14 guarantee is issued using funding from the United States  
15 Treasury, interest payments shall be sufficient to pay any  
16 applicable credit subsidy costs to the United States under the  
17 Federal Credit Reform Act of 1990, title 2 United States Code  
18 sections 661 et seq. The credit subsidy cost fee shall be paid  
19 by the borrower and shall be treated as a permitted project  
20 cost.

21 (g) The president of the bank:



- 1           (1) Shall require any entity receiving financing support  
2           or risk management including a loan, loan guarantee,  
3           debt securitization, insurance, portfolio insurance,  
4           and other forms of financing support pursuant to this  
5           section to report quarterly, in a format specified by  
6           the president, on the entity's use of the financing  
7           support and progress in fulfilling the objectives for  
8           which such support was granted; provided that the  
9           president of the bank shall make reports submitted  
10          pursuant to this paragraph available to the public;
- 11          (2) May establish additional reporting and information  
12          requirements for any recipient of financing support  
13          made available pursuant to this section;
- 14          (3) Shall establish appropriate mechanisms to ensure  
15          appropriate use and compliance with all terms of any  
16          financing support made available pursuant to this  
17          section;
- 18          (4) May, in addition to and consistent with any other  
19          authority under applicable law, deobligate financing  
20          support made available pursuant to this section to  
21          entities that demonstrate an insufficient level of  
22          performance or wasteful or fraudulent spending as



1 determined by the president in advance of the award of  
2 financing support and may award deobligated funds  
3 competitively to new or existing applicants consistent  
4 with this chapter;

5 (5) Shall create and maintain a fully searchable database,  
6 accessible on the Internet or successor information  
7 protocol at no cost to the public that contains, at  
8 minimum:

9 (A) A list of each entity that has applied for a  
10 loan, loan guarantee, insurance, portfolio  
11 insurance, or other form of financing support or  
12 risk management under this section along with a  
13 brief description and status of each application;

14 (B) The name of each entity receiving funds made  
15 available pursuant to this section, the purpose  
16 for which each entity is receiving funds, and  
17 each quarterly report submitted by the entity  
18 pursuant to paragraph (1); and

19 (C) Any other information that the president  
20 determines is sufficient to allow the public to  
21 understand and monitor loans, loan guarantees,  
22 insurance, portfolio insurance, and other forms



1 of financing support or risk management provided  
2 under this section.

3 (h) To the extent practicable, data maintained pursuant to  
4 subsection (g) shall be used to inform private capital markets,  
5 including for the development of underwriting standards for the  
6 financing of clean energy projects and energy efficiency  
7 projects.

8 (i) The bank shall make all financing transactions  
9 available for public inspection, including the accommodation of  
10 formal annual reviews by a private auditor and the state  
11 auditor.

12 (j) The bank shall at all times maintain a mechanism for  
13 the receipt, in writing, of public comment on the activities of  
14 the bank.

15 **§ -11 Income; excess earnings.** Except as otherwise  
16 provided, as soon as possible after the end of each calendar  
17 year, the board shall determine the amount of income that is in  
18 excess of amounts necessary to pay for expenses of administering  
19 the activities of the bank, if any, earned by the bank in that  
20 calendar year. The amount of the excess shall be used to create  
21 credit enhancement mechanisms such as loan loss reserves,  
22 revolving loan funds, interest rate buydowns, or other similar





1 mechanisms to decrease cost of capital for certain types of  
2 qualifying clean economy projects, as determined by the board;  
3 provided that the qualifying clean economy projects shall  
4 include affordable housing retrofits and modifications in  
5 accordance with the purposes of this chapter.

6       **§ -12 Rulemaking.** (a) The board shall develop a  
7 process for approving standards and for adopting rules that is  
8 not subject to chapter 91 but includes public notice and an  
9 opportunity for interested stakeholders to submit comments on  
10 proposed standards.

11       (b) The department of commerce and consumer affairs shall  
12 examine the bank no less frequently than once each calendar year  
13 to verify that the bank is complying with rules adopted pursuant  
14 to subsection (a). The bank shall submit quarterly reports to  
15 the department of commerce and consumer affairs. The department  
16 of commerce and consumer affairs shall report the results of the  
17 examination to the board and to the legislature. The report  
18 shall be a public record subject to disclosure pursuant to  
19 chapter 92F, unless nondisclosure is required by federal or  
20 state law.

21       (c) The state auditor shall audit the accounts and  
22 financial affairs of the bank no less frequently than once every



1 two years. The auditor's report shall be a public record  
2 subject to disclosure pursuant to chapter 92F.

3       **§ -13 Deposits; exempt from taxation.** The deposits and  
4 any income earned by the bank shall not be subject to state or  
5 local taxes of any kind.

6       **§ -14 Civil actions.** (a) Civil actions may be brought  
7 as provided in this section against the State for claims for  
8 relief asserted to have arisen out of transactions connected  
9 with the operation of the bank.

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

13       (c) An action brought pursuant to this section may be  
14 brought in any circuit court of the State in the same manner and  
15 subject to the same laws and rules of the courts as other civil  
16 actions.

17       **§ -15 Public officials; exemption from liability.**  
18 Whenever any public funds are deposited in the bank, the public  
19 official who deposited the funds and the sureties on any bond of  
20 the public official shall be exempt from liability by reason of  
21 loss of any of the funds while the funds are deposited in the  
22 bank.



1           **§   -16   Conduct of business; execution of instruments.**

2   (a) All business of the bank shall be conducted under the name  
3 of the clean economy bank of the State of Hawaii or the clean  
4 economy bank. Title to property pertaining to the operation of  
5 the bank shall be obtained and conveyed in the name of the State  
6 of Hawaii, doing business as the clean economy bank of the State  
7 of Hawaii.

8       (b) Instruments shall be executed in the name of the State  
9 of Hawaii. Within the scope of authority granted by the board,  
10 the president of the bank may execute instruments on behalf of  
11 the bank, including any instrument granting, conveying, or  
12 otherwise affecting any interest in or lien upon real or  
13 personal property.

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

17           **§   -17   Certain records confidential.** The following  
18 records of the bank shall be confidential and shall not be  
19 disclosed:

20       (1) Commercial or financial information of a customer of  
21 the bank, whether obtained directly or indirectly,  
22 other than information disclosed in routine credit



1 inquiries concerning information that is required to  
2 be disclosed in accordance with due legal process and  
3 information required to be disclosed pursuant to  
4 section -10(g); and

5 (2) Except as provided in section -12, information that  
6 is contained in or related to a report of an  
7 examination or operating or condition reports prepared  
8 by, on behalf of, or for the use of, a state or  
9 federal agency responsible for the regulation or  
10 supervision of any bank activity.

11 **§ -18 Allocation pooling.** To the extent permitted by  
12 federal law or procedure, the bank may enter into an agreement  
13 with any entity authorized to issue bonds to pool allocations  
14 for the issuance of bonds. The total pool of allocations may  
15 exceed the state ceiling; provided that the entity with which  
16 the bank enters into an agreement is authorized to issue bonds  
17 in accordance with the laws of any state of the United States of  
18 America; provided further that the State's allocation to the  
19 pool does not exceed the state ceiling, as defined in section  
20 39C-1."

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

**Report Title:**

Public Finance; Clean Economy Bank

**Description:**

Establishes the clean economy bank of the State of Hawaii to, among other things: (1) Enable the State, along with other participating states, territories, and municipalities, to leverage aligned resources and collective influence to build a national clean economy that creates jobs, reduces carbon emissions, and ensures the nation's energy security; (2) Support clean economic development within the State and other participating entities; and (3) Lessen the burden on the State and other participating entities to finance qualified renewable energy and other related purposes. (SD1)

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

