
A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CLEARCOM, INC., IN THE DEVELOPMENT OF BROADBAND INFRASTRUCTURE IN HAWAII.

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

1 SECTION 1. The legislature finds that the development of
2 broadband infrastructure to enable access to affordable ultra
3 high-speed internet is essential to build a vibrant and
4 sustainable economy and workforce in Hawaii and improve the
5 quality of life for residents. The legislature further finds
6 that the utilization of abandoned water mains in conjunction
7 with Act 151, Session Laws of Hawaii 2011, provides a unique
8 opportunity to achieve the State's Hawaii broadband initiative
9 goals in a timely and cost effective manner. Underground cables
10 are protected from weather related risks and accident damage,
11 and preserve Hawaii's uncluttered environment. The use of
12 abandoned water mains is a proven way to facilitate cost
13 efficient and rapid deployment of buried fiber optic
14 infrastructure, while minimizing the unavoidable traffic impacts
15 that plague traditional underground construction methods,
16 especially in the urban core. For these reasons, the
17 legislature finds and declares that the issuance of special



1 purpose revenue bonds under this Act is in the public interest
2 and for the public health, safety, and general welfare.

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 special purpose
6 revenue bonds in a total amount not to exceed \$100,000,000, in
7 one or more series, for the purpose of assisting Clearcom, Inc.,
8 or a partnership headed by Clearcom, Inc., with the planning,
9 permitting, designing, constructing, equipping, and operating of
10 broadband infrastructure at locations throughout the State.

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

16 SECTION 4. The department of budget and finance is
17 authorized, from time to time, including times subsequent to
18 June 30, 2017, to issue special purpose revenue bonds in
19 whatever principal amounts the department shall determine to be
20 necessary to refund the special purpose revenue bonds authorized
21 in section 2 and to refund special purpose revenue bonds
22 authorized in this section, regardless of whether the



1 outstanding special purpose revenue bonds or refunding special
2 purpose revenue bonds have matured or are the subject of
3 redemption or whether the refunding special purpose revenue
4 bonds shall be bonds for the multi-project programs described in
5 section 2. In making this determination, the department shall
6 comply with federal law relating to the exemption from federal
7 income taxation of the interest on bonds of the nature
8 authorized by this section.

9 SECTION 5. The authorization to issue special purpose
10 revenue bonds under this Act shall lapse on June 30, 2017.

11 SECTION 6. This Act shall take effect on July 1, 2112.



Report Title:

Special Purpose Revenue Bonds; Clearcom, Inc.; Hawaii Broadband Initiative

Description:

Authorizes the issuance of special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with planning, permitting, designing, constructing, equipping, and operating broadband infrastructure throughout the State. Effective July 1, 2112. (HB2267 HD1)

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