
A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST TIRE SHREDDING OR RECYCLING BUSINESSES.

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

1 SECTION 1. The legislature finds there are an estimated
2 five hundred thousand to one million used vehicle tires
3 generated in Hawaii each year, many improperly dumped on the
4 side of roads and at illegal dump sites, spoiling the natural
5 beauty of the islands and causing environmental damage like
6 fires, increased mosquito breeding, and contamination of the
7 air, water, and soil. When it rains, toxic substances such as
8 fuels, metals, oils, and coolants are flushed into waterways.
9 Mercury is particularly dangerous, even in very small
10 quantities, because when it is released to the atmosphere it
11 returns to earth as rainfall, endangering aquatic life and
12 public health.

13 The purpose of this Act is to authorize the issuance of
14 special purpose revenue bonds to strengthen the tire recycling
15 and shredding industry in Hawaii so that used tires are properly
16 disposed of, thereby protecting the health of Hawaii residents
17 and the environment.



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

4 SECTION 2. Pursuant to part IV, chapter 39A, Hawaii
5 Revised Statutes, the department of budget and finance, with the
6 approval of the governor, is authorized to issue special purpose
7 revenue bonds in a total amount not to exceed \$ in one
8 or more series, for the purpose of assisting individuals or
9 companies engaged in the business of shredding or recycling
10 tires. The legislature hereby finds and determines that
11 assisting individuals or companies engaged in the business of
12 shredding or recycling tires constitute a project as defined in
13 part IV, chapter 39A, Hawaii Revised Statutes, and the financing
14 thereof is assistance to a processing enterprise.

15 SECTION 3. The special purpose revenue bonds and the
16 refunding special purpose revenue bonds issued under this Act
17 shall be issued pursuant to part IV, chapter 39A, Hawaii Revised
18 Statutes, relating to the power to issue special purpose revenue
19 bonds to assist processing enterprises.

20 SECTION 4. The department of budget and finance is
21 authorized, from time to time, including times subsequent to
22 June 30, 2019, to issue special purpose revenue bonds in



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

13 SECTION 5. The authorization to issue special purpose
14 revenue bonds under this Act shall lapse on June 30, 2019.

15 SECTION 6. This Act shall take effect on July 1, 2014.

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INTRODUCED BY: Karl Rhoad

JAN 22 2014



H.B. NO. 2407

Report Title:

Special Purpose Revenue Bonds; Processing Enterprises; Tires;
Recycling

Description:

Authorizes the issuance of special purpose revenue bonds to assist individuals or companies engaged in the business of shredding or recycling tires.

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