
A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST MAUI ALL NATURAL ALTERNATIVE, LLC.

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

1 SECTION 1. The legislature finds that Maui All Natural
2 Alternative, LLC, proposes to build a privately-financed project
3 to provide municipal sludge processing and renewable energy at
4 the Wailuku-Kahului wastewater reclamation facility on Maui.
5 The services provided are in the public interest and address
6 various state mandates around solid waste and renewable energy.
7 The renewable fuel to power the facility will come through
8 promotion of local agricultural activity, which has
9 significantly diminished in recent years due to closing of
10 active plantations. The sludge processing services are designed
11 to convert municipal sludge into a beneficially reusable
12 product. The facility will also create jobs and commercially
13 demonstrate the use of agriculture for a sustainable future on
14 Maui and in the State.

15 The legislature further finds that the county of Maui
16 selected Maui All Natural Alternative, LLC, to provide the



1 aforementioned services after a competitive bidding process.
2 The facility will be sited on the Wailuku-Kahului wastewater
3 reclamation facility property under a lease with the county of
4 Maui. The project will also return to agriculture approximately
5 500 acres of former sugar cane agricultural lands located in
6 central Maui. Energy crops will be harvested to provide clean
7 renewable gas for the generation of firm renewable energy and
8 processing municipal sludge.

9 The legislature additionally finds that the facility will
10 provide valuable operational knowledge and future pathways for
11 large scale projects, which can assist in fulfilling Hawaii's
12 sustainability goals associated with environmental protection,
13 renewable energy, energy security, and promotion of agriculture.

14 The legislature also finds that the benefits of the
15 development of this facility include the following:

- 16 (1) Reduction of up to 6,800 tons of greenhouse gas
17 emissions per year, with a potential for future
18 reduction of 1,500,000 tons of greenhouse gas
19 emissions;
- 20 (2) Reduction of up to 24,000 tons of sewage sludge for
21 beneficial reuse; and



1 (3) Initial creation of approximately ten to fifteen
2 permanent jobs, with the potential to create up to 200
3 new jobs.

4 Finally, the legislature notes that the development of the
5 project contributes to the State and county of Maui's mandates,
6 enables the use of private funding for a public purpose project,
7 and does not present an operational or financial risk to the
8 State or the county of Maui.

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

12 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
13 Statutes, the department of budget and finance, with the
14 approval of the governor, is authorized to issue special purpose
15 revenue bonds in a total amount not to exceed \$20,000,000, in
16 one or more series, for the purpose of assisting Maui All
17 Natural Alternative, LLC, a Hawaii foreign limited liability
18 corporation, for development, financing, and construction of a
19 project to provide municipal sludge processing and renewable
20 energy at Wailuku-Kahului wastewater reclamation facility in the
21 county of Maui. The legislature hereby finds and determines



1 that Maui All Natural Alternative, LLC's development, financing,
2 and construction of a project to provide municipal sludge
3 processing and renewable energy constitute a project as defined
4 in part V, chapter 39A, Hawaii Revised Statutes, and the
5 financing thereof is assistance to an industrial enterprise.

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

11 SECTION 4. The department of budget and finance is
12 authorized, from time to time, including times subsequent to
13 June 30, 2022, to issue special purpose revenue bonds in
14 whatever principal amounts the department shall determine to be
15 necessary to refund the special purpose revenue bonds authorized
16 in section 2 and to refund special purpose revenue bonds
17 authorized in this section, regardless of whether the
18 outstanding special purpose revenue bonds or refunding special
19 purpose revenue bonds have matured or are the subject of
20 redemption or whether the refunding special purpose revenue
21 bonds shall be bonds for the multi-project programs described in



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1 section 2. In making this determination, the department shall
2 comply with federal law relating to the exemption from federal
3 income taxation of the interest on bonds of the nature
4 authorized by this section.

5 SECTION 5. The authorization to issue special purpose
6 revenue bonds under this Act shall lapse on June 30, 2022.

7 SECTION 6. This Act shall take effect on July 1, 2017.

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INTRODUCED BY: _____



By Request

JAN 24 2017



H.B. NO. 1355

Report Title:

SPRB; Special Purpose Revenue Bonds; Sludge Processing;
Renewable Energy; Maui All Natural Alternative, LLC

Description:

Authorizes the issuance of special purpose revenue bonds to assist Maui All Natural Alternative, LLC with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui.

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

